

FBIS**DAILY REPORT
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SHIJIE ZHISHI ON U.S.-SOVIET REYKJAVIK SUMMIT

HK141137 Beijing SHEJIE ZHISHI in Chinese No 21, 1 Nov 86 pp 2-3

[Article by Xiao Ming (3469 3298): "Neither a Success nor a Failure -- The Dramatic Reykjavik Meeting" -- first two paragraphs printed in boldface]

[Text] Common needs and different motives brought the U.S. and Soviet heads of state to Reykjavik. It was unusual that the two leaders should have personally held a preparatory meeting for a summit. As far as Mikhail Gorbachev was concerned, he would not be able to stand the blow of a fruitless official meeting. Less risky, the preparatory meeting would enable him to advance or retreat. As far as Ronald Reagan was concerned, the meeting would not only demonstrate his tough policy but also establish his image as a "peace president."

On the question of "Star Wars" both parties refused to make concessions but they did succeed in sounding each other out. After undergoing a "cooling" period, U.S.-Soviet relations will probably be readjusted.

On 10-11 October, Ronald Regan and Mikhail Gorbachev met in Iceland's capital Reykjavik. The dialogue, resulting from a year of unpredictable U.S.-Soviet relations, brought people a little comfort.

Extraordinarily, it was not an official U.S.-Soviet summit but a preparatory meeting held by the leaders of these two countries in preparation for a second summit. This dramatic practice was not only unprecedented in the history of U.S.-Soviet relations but also rare in international relations.

The results of the meeting showed that both parties had discussed some substantive issues. However, due to the extremely vast differences, they did not reach any agreement, nor did they fix a date for the next U.S.-Soviet summit. The media was disappointed by this.

Identical Needs But Different Intentions [subhead]

According to the agreement reached at the U.S.-Soviet Geneva summit last year, Gorbachev should go the United States this year for a second meeting with Reagan. Since the beginning of this year, however, U.S.-Soviet relations have been in a state of upheaval, sometimes improving and sometimes deteriorating. As the year was nearing an end, the United States and the Soviet Union were still unable to fix a date for the summit. As a result of the "spy incident," relations between the two countries were again at a low ebb, dimming the prospects of a summit. In such an atmosphere, on his way to Washington on 19 September to attend the UN General Assembly meetings, Soviet Foreign Minister Eduard Shevardnadze took with him a letter to Reagan from Gorbachev. George Shultz arranged a meeting at which Shevardnadze personally passed on the letter to Reagan. In his letter, Gorbachev suggested holding a preparatory meeting in the near future either in Iceland or Britain prior to the official meeting between the U.S. and Soviet leaders. In his reply the following day, Reagan agreed to the meeting on condition that the Soviet Union set free American reporter Nicholas Daniloff. Later, the U.S. and Soviet foreign ministers haggled over the matter. A compromise was finally reached on the evening of 28 September and was officially made public on the 30th.

It was a subtle affair. Gorbachev's proposal on holding a preparatory meeting not only reflected his urgent need to ease the tense U.S.-Soviet relations but also showed his uncertainty about whether or not he would be able to achieve any results at the second summit. Given his present conditions at home and abroad, he was unable to sustain the blow of a fruitless official summit. Holding a preparatory meeting, however, was less risky. It would enable him to advance or retreat. In the former case, he could sound out the U.S. position from the highest level and, taking advantage of Reagan's need for a summit, urge the other party to make concessions, thus paving the way for an official U.S.-Soviet summit. In the latter case, he could attribute the failure of the meeting to the U.S. side, demonstrate his sincerity to the people of the world, and justify himself to the Soviet people.

Reagan's quick reaction to Gorbachev's proposal showed that he also needed the summit. Since the beginning of this year, Reagan rejected Gorbachev's proposals for a meeting outside the United States three times. He insisted that the second meeting should be held in the United States. He was worried that if he again rejected Gorbachev's request, the second meeting would probably not be held in the foreseeable future and it would be even more difficult to expect a third meeting. As a person whose term of office would soon expire and who wanted to leave the political arena with the image of a "peace president," Reagan did not want to see this. More important, he realized that Gorbachev had a greater need for a summit than he did. If he could take advantage of the summit to force the Soviet Union to make concessions and to achieve a compromise favorable to the United States, it would not only demonstrate the success of his tough policy toward the Soviet Union and strengthen the Republican Party's position in mid-term elections this year, but also show U.S. sincerity about disarmament, foil the Soviet peace offensives, improve the image of the Reagan administration, and calm down the general discontent at home and abroad about his foreign policy.

Thus, common needs and different motives brought Reagan and Gorbachev to Reykjavik.

Giving Tit for Tat, Neither Side Was Willing To Make Concessions [subhead]

The preparatory meeting did not have a fixed agenda. The Soviet side stressed that the talks would concentrate on arms control issues; the U.S. side, however, wanted to include the four aspects of U.S.-Soviet relations, namely, arms control, regional conflicts, human rights, and bilateral relations. During the meeting, four rounds of talks were held, lasting 11 and 1/2 hours. After the first three rounds, the U.S. side announced that both sides had made some progress in certain fields. However, when both sides showed their hands in the fourth round, the negotiations reached a deadlock. Judging from what both sides disclosed, the Soviet Union was ready to make substantial concessions in medium-range guided missiles, strategic nuclear weapons, and on a nuclear test ban in exchange for substantive U.S. concessions in the "Star Wars" program and put this forward as a package deal. In other words, if the United States should refuse to make concessions on the "Star Wars" program, the Soviet Union would not consider other agreements.

In fact, by setting forth a package deal the Soviet Union wanted to re-emphasize the principle of "linkage," which it had no longer stressed at the arms control talks, namely, progress on medium-range missiles and strategic nuclear weapons should depend on whether or not the United States would make corresponding concessions on the "Star Wars" issue.

For some time, with progress on such arms control issues as the medium-range missiles in Europe, there was a growing hope in the United States that the meeting might be able to reach an agreement on one or two arms control issues, thus paving the way for the next official meeting. Cherishing a similar hope, Reagan took with him a U.S. plan: By making some concessions, the United States would strive to reach an interim agreement with the Soviet Union on reducing strategic nuclear weapons and medium-range missiles and, taking advantage of this opportunity, try to fix a date for an official meeting with Gorbachev; neither giving up the "Star Wars" program on any account nor preparing to accept any substantive restrictions, the United States would at most agree upon some compromises on the deadline for complying with the antiballistic missile treaty.

Therefore, the "Star Wars" program became an issue between both parties and a major obstacle to reaching an agreement.

"Star Wars" has always worried the Soviet Union. This is because it not only involves the question of whether or not the Soviet Union can maintain its status as a superpower on an equal footing with the United States, which it has attained through several decades of hard work, but also the question of whether or not the Soviet Union can extricate itself from the arms race, concentrate its energy on domestic construction, and realize the "intensified development strategy" laid down by the 27th CPSU National Congress. For this reason, upsetting, or at least restricting, the development of "Star Wars" has become a most important link in the overall Soviet strategic plan. Prior to the meeting, the Soviet Union had basically understood the U.S. position on "Star Wars". But it did not give up the hope of making the United States a little more flexible on the issue through diplomacy at the highest level. At the meeting, Gorbachev warned Reagan of the consequences of "Star Wars," coupling pressures with promises. On the one hand, he indicated that the Soviet Union was ready to make substantive concessions on arms control, including consenting to the U.S. zero option on medium-range missiles in Europe and accepting a 50 percent cut in strategic nuclear weapons, provided that the United States agreed to limit its research and testing of the "Star Wars" program in laboratories for 10 years. On the other hand, to compel Reagan to submit, he would not hesitate to force a showdown by breaking up the meeting.

As far as Reagan was concerned, the "Star Wars" program would not only enable the United States to take a leading position in space, thus establishing the U.S. strategic superiority, but also spur the development of U.S. high-technology industry as a whole, thus further strengthening its national strength. Moreover, Reagan also wanted to take advantage of Gorbachev's concern over "Star Wars" to pin down the Soviet Union without giving it a breathing spell. Shultz explicitly said after the meeting that the powerful existence of "Star Wars" had enabled the U.S.-Soviet summit to reach a potential consensus. The "Star Wars" program has brought enormous political, economic, and military interests to the United States. For this reason, it would be difficult to shake Reagan's determination to hold on to the "Star Wars" program.

Since the positions of the United States and the Soviet Union on the "Star Wars" issue were so wide apart and since neither of them was willing to make concessions, it would be difficult to bridge the gap in a short time.

In Spite of the Fact That Both Evaded Responsibility and Denounced Each Other, They Still Left Room To Maneuver [subhead]

After the conclusion of the Iceland meeting, the United States and the Soviet Union accused each other for the failure to reach an agreement. Reagan stressed that the Soviet Union insisted on revising the anti-missile treaty with the aim of strangling the "Star Wars" program. Gorbachev, however, charged that Reagan's insistence on "Star Wars" had "made it impossible to make any progress." The representatives of both parties indicated that it would be difficult to hold a second summit in the near future. Meanwhile, both parties stressed that progress had been made on certain issues at the meeting and they indicated their readiness to continue the dialogue. Obviously, actuated by their own needs, neither side wanted to close the door of the meeting. They were striving to reduce as far as possible the damage that the meeting might cause to both parties.

Although the Iceland meeting has upset the momentum of U.S.-Soviet dialogue, both parties have basically or nearly reached an agreement on some issues through the highest-level contact. More important, both parties have been clearer about each other's basic positions. Therefore, after a certain "cooling period" in U.S.-Soviet relations, they will probably readjust their asking prices and reconsider the possibility of a summit.

PRC INCREASES PLEDGES TO UN DEVELOPMENT PROGRAMS

OW140444 Beijing XINHUA in English 0236 GMT 14 Nov 86

[Text] United Nations, November 13 (XINHUA) -- China pledged today a total of 4.02 million U.S. dollars and 700,000 renminbi yuan (about 190,000 U.S. dollars) to the United Nations development programs in 1987.

The announcement was made by Wang Baoliu, minister of the Chinese mission to the U.N., at the 1986 United Nations Pledging Conference. China's 1987 contribution represents an increase of 8 percent in U.S. dollar pledges and 41 percent in Chinese currency pledges.

The money will be used in 15 U.N. development agencies, with 2.21 million U.S. dollars going to the United Nations Development Program, 550,000 dollars to the United Nations Fund for Population Activities and 500,000 dollars to the United Nations Children's Fund.

FANG YI MEETS ENGINEERING CONFERENCE GROUP

OW072100 Beijing XINHUA in English 1533 GMT 7 Nov 86

[Text] Beijing, November 7 (XINHUA) -- State Councillor Fang Yi met with representatives of the Chinese and foreign scientists attending an international engineering conference here tonight.

The International Symposium on Engineering in Complex Rock Formations opened here on Monday. During the five-day gathering, about 300 Chinese and foreign scientists from 22 countries and regions held discussions on construction problems in complex rock formations.

The symposium was jointly sponsored by the Chinese Society for Rock Mechanics and Engineering and the International Society of Rock Mechanics.

NEW YORK STOCK EXCHANGE GROUP CONTINUES VISIT

Meets Yao Yilin

OW131336 Beijing XINHUA in English 1322 GMT 13 Nov 86

[Text] Beijing, November 13 (XINHUA) -- Chinese Vice-Premier Yao Yilin said here today that China's foreign exchange earnings and payments this year are better than last year and its exports also increased.

Speaking to a New York Stock Exchange delegation led by its Chairman and Chief Executive Officer John L. Phelan Jr. here this afternoon, Yao said that in borrowing loans from other countries, China should take into consideration its needs in economic construction, capability to repay the capital plus interest as well as terms of the loans.

He welcomed U.S. businessmen to come to China for doing business and conducting exchanges with China's bankers.

During the meeting, Yao also briefed the visitors on China's economic and educational development.

Phelan said his delegation's China visit is fruitful and they are deeply impressed by Beijing's construction and young people's thirst for knowledge.

Some members of the delegation said that U.S. monetary and economic circles are willing to strengthen cooperation with their Chinese colleagues. They know that CHINA [is] confident of its economic growth and capability of repayment.

Meets Deng Xiaoping

OW141136 Beijing XINHUA in English 1115 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Senior leader Deng Xiaoping said today China's open policy would last "through the end of this century and through the next century as well."

Deng, chairman of the Chinese Communist Party Central Advisory Commission, called the policy of opening to the outside world 'China's hope, a hope the reality of the last eight years has justified.'

Speaking at a meeting with a delegation from the New York Stock Exchange, Deng said China must continue its open policy into the next century to achieve economic development.

At the meeting, John Phelan Jr., chairman of the New York Stock Exchange, said U.S. business executives are interested in investing in China and working with China's financial officials.

In response, Deng said foreign investors "cannot find a safer investment than China. He said U.S. investors have the knowledge required to invest, "but we still want to see whether they have the courage." "We hope they have more courage in making an investment in China," he added.

The meeting followed a four-day China-U.S. symposium on monetary markets that ended Thursday and was sponsored by the People's Bank of China and the New York Stock Exchange. Phelan said he had met many young Chinese financial experts and that the U.S. participants in the seminar had learned from them. Deng told Phelan "We place our hope in young people." "Our main objective is to have younger officials," he said. "There will be no vitality in our party and government organizations without young cadres. But it is not easy to realize this goal."

RENMIN RIBAO VIEWS U.S. 'SECRET DIPLOMACY' WITH IRAN

HK170850 Beijing RENMIN RIBAO in Chinese 16 Nov 86 p 6

[Commentary by correspondent Zhang Yunwen (1728 0336 2429): "The Storm Stirred up by Secret Diplomacy"]

[Text] Washington, 14 Nov -- Yesterday President Reagan "with great reluctance" revealed to the nation the outline of secret U.S. contacts with Iran over the past 18 months. Before he spoke, he authorized his aides to brief the press in greater detail on this affair. According to reports, the secret U.S. contacts with Iran started in August 1985. The contacts were under the auspices of the National Security Council, and were first conducted through Israel. On 14 September 1985, with American knowledge, Israel dispatched two shipments of arms to Iran. The American hostage Weir was released in the same month. McFarlane continued to be involved in this business after his resignation on 4 December. In January this year, the White House carried out a review of its policy on Iran. According to reports, Shultz and Weinberger both objected to this arms deal. At the start, Reagan accepted this view, but later he changed his original decision and signed a secret order on arms shipments. In May, he authorized McFarlane to visit Teheran to explore relations with Iran. Another arms shipment was dispatched on 3 and 4 July. The American hostage Jenco was released on 26 July. Another arms shipment was made in October, and the hostage Jacobsen was released on 2 November. The affair gradually came to light from 3 November onward, causing strong reaction at home and abroad.

Only a very few White House officials knew about these secret diplomatic activities; the great majority of government foreign policy experts only learned of it last week. Even yesterday, some senior State Department officials knew nothing about the details. These activities were concealed from the congressional committees on intelligence, foreign affairs, and military affairs. Hence, after the revelations, the affair caused a tremendous stir inside and outside the government, like a startling thunderclap. Many people said that the shock and embarrassment caused by this foreign policy had not been experienced for 25 years. It was criticized by almost all congressmen of both parties and by figures in diplomatic and political circles.

Senator (Delirte) [1795 5490 1422 3676], representing the conservative view, described these moves as "a terrible mistake," adding that this was possibly one of the greatest mistakes ever committed in U.S. foreign policy. Senate Democratic Leader Byrd for his part termed the action as "a great diplomatic mistake." Former National Security Adviser Brezinski held that these moves were unwise, saying "the price was too high and the risk too great."

Criticism of these moves was mainly focused on three aspects:

1. The announced policy of the government conflicts with the policy it is secretly pursuing. The critics say that these moves have violated the position repeatedly proclaimed by the United States of staying neutral in the Iran-Iraq war, appealing for an arms embargo on Iran, and opposing any dealings with people who take hostages. [paragraph continues]

One State Department official pointed out that at the very moment certain White House officials were arranging secret arms shipments to Iran, Shultz was assuring Arab foreign ministers that the United States would do everything possible to block arms shipments to Iran.

2. In the course of carrying out these major diplomatic moves, the White House has circumvented congressional supervision. This has caused an argument over whether such a course of action is legal. A number of congressmen have questioned the power of activity of the National Security Council.

3. This way of doing things has damaged U.S. relations with its Western European allies and with the Arab states. The United States has repeatedly put pressure on its allies over the question of dealing with terrorism and banning arms shipments, and the fact that U.S. deeds do not square with its words has angered its friends, caused loss of trust among the Arab states, and harmed its international reputation.

In the face of the ever-sharpening criticism, President Reagan and his top aides have focused their defense on geopolitical considerations. They say that these contacts have broader strategic goals, that the hostage issue has gradually been brought into the dialogue, and that only an "insignificant" number of defensive weapons have been sent to Iran to demonstrate "sincerity" for improving relations with that country. They have vigorously denied that the act of exchanging arms for hostages has changed the policy on terrorism. However, public opinion has noted that they have avoided mentioning Israel's role, the strong opposition of Shultz and Weinberger to the arms deal, and the "coincidental" timing of arms deliveries and hostage releases.

Judging by the reactions of people in various circles at present, the various "clarification" statements made by the Reagan Administration in recent days have not yet "convinced people." Public opinion holds that the government's prestige at home and abroad has been seriously damaged. It may be that the storm caused by the secret diplomacy will very soon die down, however, the foreign policy tests faced by the government in the next 2 years will be extremely severe.

XU XIN FETES U.S. ARMY CHIEF OF STAFF WICKHAM

OW161216 Beijing XINHUA in English 1214 GMT 16 Nov 86

[Text] Beijing, November 16 (XINHUA) -- Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army, hosted a dinner in honor of General John Wickham Jr., chief of staff of the United States Army, here today.

General Wickham arrived here this morning at the invitation of the Chinese Ministry of National Defense. Xu and Wickham held talks here this afternoon.

BEIJING RUSSIAN URGES SOVIET AFGHAN WITHDRAWAL

OW150233 Beijing in Russian to the USSR 1800 GMT 11 Nov 86

[(Hong Bo) commentary: "Current United Nations General Assembly Session Again Adopts Resolution Demanding Immediate Withdrawal of Foreign Troops From Afghanistan"]

[Text] The 41st session of the UN General Assembly [UNGA] has adopted by an overwhelming majority another resolution on the situation in Afghanistan and its influence on peace and security on earth, which was proposed by Pakistan and 45 other countries. The resolution demands the immediate withdrawal of foreign troops from Afghanistan and reiterates the need to defend its sovereignty, territorial integrity, political independence, and nonaligned character in order to solve the Afghan issue by peaceful means. It again emphasizes that the Afghan people have the right to determine their own form of government and to choose for themselves an economic, political, and social system free of any outside interference, sabotage, threat, or violence. This is the eighth UN resolution demanding the withdrawal of foreign troops from Afghanistan. It demonstrates again the international community's firm position and unshakable resolve on the Afghan issue.

People are taking into consideration the fact that the resolution was adopted at a time when the Soviet Union announced the completion of the withdrawal of six Soviet regiments from Afghanistan, which it sought to publicize widely. Insofar as the Soviet Union has never proposed any timetable for a troop withdrawal and has declared that it will withdraw all its troops from Afghanistan only after it has received guarantees that all outside interference in Afghan affairs has ended, people have every reason to assume that the partial withdrawal of Soviet troops from Afghanistan, which took place in October this year, was aimed only at easing international pressure while the Afghan issue was being considered at the United Nations and until the issue has no practical significance.

Seven years have already elapsed since the Afghan issue arose as a result of the Soviet Union's armed intervention against an independent, sovereign, and nonaligned state of the Third World. The true situation -- with more than 100,000 Soviet troops continuing to occupy Afghanistan -- has not changed at all. Countless peaceful Afghan civilians have been plunged into an abyss of suffering. Several million Afghans have escaped abroad. All this has brought the Afghan nation a tragedy unprecedented in its history and, at the same time, has seriously endangered peace in Asia and the whole world.

Condemned by the international community and pressed by the growing discontent of the Soviet people, the Soviet Union only verbally declares its readiness to settle the Afghan issue by political means, but in reality, the Soviet invaders continue to increase their military actions in Afghanistan. It is difficult to find any Soviet sincerity in their attempts to solve the Afghan issue.

The resolution of the current UNGA session on the Afghan issue also condemns a certain country for continuing to violate the aims and principles of the UN Charter and for armed intervention against Afghanistan. It is well known that only Soviet troops are stationed in Afghanistan today. The Soviet Union has time and again refused to carry out UNGA resolutions, so it was quite natural that the Soviet Union became the target for general attacks and found itself in a very isolated situation in the international arena.

If the Soviet Union is genuinely sincere about a political settlement of the Afghan issue, it must as soon as practicable reach an agreement with interested parties on a timetable for the withdrawal of Soviet troops and withdraw without delay all its troops from Afghanistan for the sake of peace in Asia and in the interests of the people of the Soviet Union.

HSIN WAN PAO SPECULATES ON KIM 'ASSASSINATION'

HK171026 Hong Kong HSIN WAN PAO in Chinese 17 Nov 86 p 1

["News Talk" column: "Differing Reports on the Assassination of Kim Il-song"]

[Text] Reports on the assassination of Kim Il-song are still complicated and confusing as this article is published. Seoul said that the North side, to the north of the 38th parallel had broadcasted the news, but Pyongyang diplomats in foreign countries denied it, and pointed out that this was a rumor spread by South Korea.

Correspondents from Western news agencies stationed in the capitals of various countries are trying to fish for information, but they have failed to get an official confirmation on the news. No changes have been made in the content of pyongyang broadcasts, and officials from East European countries, who had just left Pyongyang, also confirmed that the situation in Pyongyang was calm.

A Japanese official in charge of intelligence revealed to a REUTER reporter that he got news of Kim Il-song's assassination from abroad. But these were only his personal remarks. He also said: "Japan has not yet been able to get an independent confirmation of the news."

The Seoul authorities felt nervous about the news, and the cabinet held an immediate meeting. Some 600,000 troops have now been put on alert.

The news of Kim's assassination, which was spread suddenly this morning, will have great repercussions, whether it is true or not. It will have a great influence over the situation in the Korean peninsula, and the overall situation in the northeastern part of Asia.

If the report is true, how will the political situation in North Korea change? Where will the country turn? These are problems to which people have devoted their attention.

If the report is false, relations between North and South Korea will deteriorate again. This will cast a heavier shadow on the peaceful reunification of the land, which is 3,000 li in length.

China, the Soviet Union and Japan are countries neighboring on Korea. The United States still has its troops stationed in South Korea. China, the Soviet Union, the United States and Japan have always been concerned with the situation in the Korean peninsula.

The dialogue between North and South Korea, aimed at promoting peaceful reunification, has been conducted off and on, but no substantial progress has yet been made. This year, the United States and South Korea carried out their joint military manoeuvres 'Team Spirit-86.' Pyongyang attacked this saying that it was a "dark cloud over North-South dialogue." No specific results have yet been gained from the Seoul talks on sponsoring the 1988 Olympics.

With regard to a settlement of the Korean issue, South Korea once proposed that North and South Korea establish diplomatic relations with the four powers. In other words, South Korea establishes diplomatic relations with the Soviet Union and China, whereas North Korea establishes diplomatic relations with the United States and Japan.
[paragraph continues]

Pyongyang has maintained that the cause which determines peace in the Korean peninsula, and aggravates tension, is the United States' occupation of South Korea, rather than the fact that North and South Korea have not yet established diplomatic relations with their neighboring countries.

Pyongyang proposed that the two Koreas and the United States hold tripartite talks, but the United States and South Korea insisted that China should also participate in the talks. The talks would thus be attended by the four sides. The debate on whether the talks will be attended by "three sides" or "four sides" has not yet ended.

Apart from allowing Soviet warships to enter Wonsan port, this summer North Korea again allowed Soviet ships to use Nampo port on the west coast of the Korean peninsula to take shelter from the wind. During the latter half of this month [as published], Kim Il-song visited the Soviet Union to hold talks with Gorbachev. At that time, he changed his habit of going abroad by train. This triggered numerous world comments.

During the first half of last month, Chinese President Li Xiannian personally went to Pyongyang for a visit, and held talks with Kim Il-song. At that time, China was taking part in the Asian Games in Seoul, and the American warships were due to visit Qingdao. According to reports by XINHUA, the talks deepened mutual understanding and cooperation between the two countries, developed their friendship, and played a positive role in promoting learning from one another.

Kim Il-song, aged 74, revealed that his son Kim Chong-il would succeed him. The country's second 7-year economic plan was fulfilled the year before last. Recently, there has been a trend to change the seclusion policy and implementing a policy of opening up to develop the country's economy. There has been a tentative plan in this regard.

DPRK ARMY GROUP VISITS FUJIAN CITIES 1-3 NOV

OW131508 Fuzhou FUJIAN RIBAO in Chinese 4 Nov 86 p 1

[Text] An 11-member good-will visiting group of the Korean People's Army [KPA] visited Xiamen and Quanzhou from 1 to 3 November at the invitation of the Chinese Ministry of National Defense. The group was led by General Cho Sun-paek, member of the Central Committee of the Workers Party of Korea Central Committee and commander of the KPA Second Army Group.

CHU TUNAN MEETS VISITORS FROM JAPAN 14 NOV

OW141434 Beijing XINHUA in English 1303 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Chu Tunan, vice-chairman of the Chinese National People's Congress Standing Committee, met two Japanese delegations here today.

One delegation is composed of activists from the Japan-China Friendship Association led by Deputy Director-General of its headquarters Hiroki Endo; the other, from the Nagano Prefectural Headquarters of the Japan-China Friendship Association, is led by Kenji Hanaoka, chairman of the prefectural headquarters and vice-chairman of the association.

Chu, who is also advisor to the China-Japan Friendship Association, thanked the Japanese visitors for their efforts to promote China-Japan friendship, saying that such friendship is not only in the interest of the Chinese and Japanese people, but also constitutes an important factor for safeguarding peace and stability in Asia and the world as a whole. Endo and Hanaoka expressed their desire to continue to work for Japan-China friendship.

ECONOMIC, TRADE DELEGATION ARRIVES IN BANGLADESH

OW141227 Beijing XINHUA in English 1144 GMT 14 Nov 86

[Text] Dhaka, November 14 (XINHUA) — A nine-member Chinese government economic and trade delegation led by Lu Xuejian, vice-minister of foreign economic relations and trade, arrived here this afternoon for a five-day visit to Bangladesh.

The vice-minister told newsmen on arrival that his delegation has two missions during the visit — one is to sign the 10th Barter Trade Protocol for 1987 and the other is to participate in the inauguration of the construction of a China-aided bridge over the Buriganga River flowing through Dhaka.

Bangladesh Commerce Secretary Golam Mostafa said on the occasion that Bangladesh expects more trade between the two countries.

The 10th Trade Protocol to be signed will envisage bigger volume of 88 million U.S. dollars as against the 9th one signed in December last year for 1986 which provided a trade volume of 87 million dollars both ways, according to authentic sources here.

On the China-aided bridge, the vice-minister said Buriganga bridge project is a symbol of friendship between the two countries.

Signs Barter Agreement

OW170846 Beijing XINHUA in English 0649 GMT 17 Nov 86

[Text] Dhaka, November 17 (XINHUA) — Bangladesh and China signed the 10th Barter Protocol here today, envisaging an increased two-way trade volume of 88 million U.S. dollars for 1987.

This is the third protocol concluded under the five-year long-term trade agreement signed in 1984 between the two countries. The Ninth Protocol for 1986 provided for exchange of goods worth 87 million U.S. dollars.

The protocol stipulated goods from Bangladesh to China for the next year, including raw jute, jute goods, leather, hides and skins, tea, newsprint, urea and light industrial products.

China's exports included pig iron, dyes and chemicals, light industrial products and hardware, machinery equipment and spares, diesel, cotton, sugar, steam coal, electric meters and other equipment.

Bangladesh Commerce Secretary Ghulam Mostafa and visiting Chinese Vice-Minister for Foreign Economic Relations and Trade Lu Xuejian signed the protocol on behalf of their governments.

According to Bangladesh official statistics, the trade volume between Bangladesh and China increased to 101.4 million dollars in 1984-85 from over 27.6 million dollars in 1976-77 when the two countries established formal trade relations.

SWISS FOREIGN MINISTER CONTINUES CHINA VISIT

Visits Nanjing Plant

OW151359 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 14 Nov 86

[Excerpts] While visiting Nanjing No 2 Machine Tool Plant yesterday, Pierre Aubert, vice president of the Swiss Confederation and Foreign Minister of Switzerland, said that Switzerland and China have cooperated in many ways; and that the precision machine tools jointly produced by Switzerland and China symbolize the friendship between the people of the two countries. He hoped that Swiss-Chinese cooperation would continue.

Foreign Minister Aubert and his wife arrived in Nanjing from Beijing by special plane yesterday afternoon.

When the distinguished guests arrived at the No 2 Machine Tool Plant by car in the rain, they were warmly welcomed by Plant Director (Cui Shichang), plant staff members and workers. The plant imported some key equipment from Switzerland to accelerate renovation of the old plant and has cooperated with Switzerland's (Mark) Company in producing precision machine tools. [passage omitted]

Chen Huanyou, Vice Governor of Jiangsu Province, met Foreign Minister Aubert, his wife, and party in Nanjing's Jinling Hotel in the evening. Host and guests held friendly talks. On behalf of the provincial government and Governor Gu Xiulian, Vice provincial Governor Chen Huanyou extended a warm welcome to the distinguished Swiss guests. Foreign Minister Aubert expressed thanks for the warm hospitality accorded him. [passage omitted]

Foreign Minister Aubert and his wife will leave Nanjing for Shanghai today.

Meets Li Xiannian

OW151620 Beijing XINHUA in English 1607 GMT 15 Nov 86

[Text] Shanghai, November 15 (XINHUA) -- Chinese President Li Xiannian said today that there exist broad prospects for China-Switzerland cooperation.

He said this at a meeting here this afternoon with Pierre Aubert, vice-president of the Federal Council and head of the Federal Foreign Affairs Department of Switzerland.

Li said Aubert's China visit will give an impetus to the bilateral friendly relations and promote friendship between the two peoples.

Aubert said achievements of the China-Schindler Elevator Co., Ltd. in Shanghai testify to the success of bilateral cooperation.

Li said such cooperation is just beginning. Switzerland has advanced precision machine-building industry, so there exist broad prospects for bilateral cooperation.

The meeting proceeded in a friendly and lively atmosphere, during which the two discussed issues of common interest.

Li reaffirmed that China will resolutely pursue the independent and peaceful foreign policy. It will neither ally with nor establish strategic ties with any big power.

Aubert and his party arrived in Shanghai from Nanjing this morning and were honored at a luncheon given by Mayor of Shanghai Jiang Zemin. Aubert and his party are scheduled to leave here tomorrow at the end of their visit to China.

PRC-CSSR HOLD MEETINGS ON ECONOMIC COOPERATION

Cooperation Protocol Signed

LD151358 Prague CTK in English 0955 GMT 15 Nov 86

[Text] Beijing Nov 15 (CTK correspondent) -- Guidelines for Czechoslovak-Chinese cooperation in the next period are contained in the protocol which was signed here today in conclusion of the second session of the Czechoslovak-Chinese Mixed Commission for Economic, Trade and Scientific-Technological Cooperation.

The document was signed by Czechoslovak Foreign Trade Minister Bohumil Urban and Chinese Minister of Water Conservancy and Electric Power Qian Zhengying.

Under the protocol, the two countries will focus on cooperation in the energy industry for which a special working group was set up, on seeking new possibilities of cooperation in the automobile, gas, engineering and textile industries.

The protocol appreciates the results attained since the commission's first session in Prague in October 1985.

Czechoslovak Foreign Trade Minister Bohumil Urban had talks here today with Chinese Foreign Economic Relations and Trade Minister Zheng Tuobin. They praised the quick growth of trade exchange between their countries in the past two years and voiced the wish to further promote mutually advantageous economic and trade cooperation.

Minister Urban also met today with the president of the Chinese People's Bank, Chen Muhua.

Today's RENMIN RIBAO carried information on the meeting of Minister Bohumil Urban with Chinese State Council Chairman Zhao Ziyang. The paper stressed that the Chinese premier appreciated the results of the second session of the Czechoslovak-Chinese commission and the increasing trade exchange.

Minister Meets Chen Muhua

OW151222 Beijing XINHUA in English 1149 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- State Councillor and President of the People's Bank of China Chen Muhua met with Bohumil Urban, Czechoslovak minister of foreign trade, here today. They discussed how to keep the momentum for developing trade and economic cooperation between the two countries.

Urban and his party are in Beijing to attend the second meeting of the China-Czechoslovakia committee for economic, trade, scientific and technological cooperation which ended earlier today. The visitors, who were honored at a luncheon today given by Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin, are scheduled to leave Beijing for home tomorrow.

Zhao Ziyang Meets Urban

OW141250 Beijing XINHUA in English 1238 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Chinese Premier Zhao Ziyang today had a sincere and friendly talk with Czechoslovak Minister of Foreign Trade Bohumil Urban on the continued growth of friendly relations and cooperation between the two countries.

Urban is heading a Czechoslovak government delegation to China.

Zhao said China attaches great importance to developing its ties with Czechoslovakia.

"Our two sides should join efforts to build bilateral cooperation on a long-term and stable basis. There should be more contacts, exchange of views and study tours between us so as to explore new areas and forms for cooperation which is beneficial to both," he added.

Zhao welcomed Czechoslovakia to develop its economic and technological cooperation and trade with Chinese provinces and cities.

Urban came to China on November 10 for the second meeting of the Czechoslovakia-China Committee for Economic, Trade, Scientific and Technological Cooperation.

He said he was very pleased that bilateral economic relations and trade have developed rapidly over the past two years.

The second meeting of the committee has achieved positive results, he added.

Chinese Minister of Water Resources and Electric Power Qian Zhengying was present on the occasion.

Urban Concludes Visit

LD161952 Prague CTK in English 1709 GMT 16 Nov 86

[Text] Beijing Nov 16 (CTK) -- Czechoslovak Foreign Trade Minister Bohumil Urban today ended a five-day visit to China and left for home. He took part here in the 2nd session of the Czechoslovak-Chinese Commission for Economic, Trade and Scientific-Technological Cooperation.

A protocol on the exchange of goods and payments between the two countries in 1987 was signed during the visit.

Next year, Czechoslovakia will import from China colour TV tubes, foodstuffs, textiles, footwear, sports equipment, rice, cotton and various other raw materials. It will export to China tractors, Tatra 815 trucks, machine tools, textile, tobacco, tanning, foot-making and other machines. An important exports item will be equipment for 200 and 500 MW electric power plants which are or will be built with Czechoslovak assistance.

The 3d session of the commission will be held in Prague in the autumn 1987.

SINO-POLISH COOPERATION PROTOCOL SIGNED

OW140005 Beijing in Russian to the USSR 1800 GMT 7 Nov 86

[Text] The protocol on the 19th session of the mixed Chinese-Polish Commission on Scientific-Technical Cooperation was signed in Beijing on 6 November. Song Jian, member of the State Council and minister of the State Scientific and Technological Commission attended the document signing ceremony and met Polish guests. The protocol provides that China and Poland will have short-term, long-term, and interdepartmental cooperation in 99 fields including machine building, electronic technology, metallurgy, agriculture, light and textile industries, health, and medicine. The figure shows a considerable increase compared with last year.

ZHAO ZIYANG MEETS SAUDI ENTREPRENEURS 16 NOV

OW161446 Beijing XINHUA in English 1433 GMT 16 Nov 86

[Text] Beijing, November 16 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that there was a great potential for China and Saudi Arabia to expand their economic relations and trade on the basis of equality and mutual benefit.

The premier said that the two countries should work together to explore new fields and forms for economic cooperation and trade.

Zhao made these remarks at a meeting with a group of Saudi entrepreneurs, led by former governor of the Saudi Monetary Agency 'Abd al-'Aziz al-Guraishi [name as received], here today.

Zhao expressed his belief that the visit of the Saudi entrepreneurs, whom he described as "envoys promoting the Sino-Saudi friendship and economic cooperation", would give an impetus to the growth of economic relations and trade between the two countries.

Al-Guraishi said that the visit of his group marked the start of a solid economic and trade relationship between the two countries.

Zhao welcomed more Saudi people to visit China to better understand the country and promote the Sino-Saudi friendship as well as economic relations and trade between the two countries on the basis of mutual benefit.

Zhao paid tribute to the achievements of Saudi Arabia in improving the living standard of its people through exploiting its abundant natural resources under the leadership of King and Prime Minister Fahd.

He said that China appreciates the neutral and non-aligned policy pursued by Saudi Arabia and its role in safeguarding Arab unity, and supporting the cause of the Palestinian people and the just struggles of the Afghan and Kampuchean peoples.

Al-Guraishi conveyed thanks from Saudi leaders to Chinese leaders for their just stand on the Middle-East issue, especially the Palestine question.

He said that the Saudi leaders were grateful to China for its efforts in promoting peace in the Gulf region and an early end to the Iran-Iraq war.

Zhao stressed that China supports Saudi Arabia's efforts to unite with other Gulf countries and safeguard peace and stability in the Gulf region.

"China supports all actions conducive to ending the Iran-Iraq war upon an early date. China and Saudi Arabia share an identical position in this regard," the premier added.

Zhao asked Al-Guraishi to convey his greetings to King Fahd. Al-Guraishi in turn conveyed respect of King Fahd and the Saudi Government and people for the Chinese leaders and people.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, held talks with the visiting Saudi entrepreneurs here this morning. He also hosted a dinner for the visitors here this evening.

18TH NPC STANDING COMMITTEE SESSION OPENS

OW160913 Beijing XINHUA Domestic Service in Chinese 1205 GMT 15 Nov 86

[Text] Beijing, 15 Nov (XINHUA) -- The 18th Session of the 6th NPC Standing Committee opened at the Great Hall of the People this afternoon.

Chairman Peng Zhen chaired today's meeting.

After the session began, Wang Hanbin, secretary general of the NPC Standing Committee explained the session's draft agenda, which was later adopted by the members. According to the agenda, the session will again deliberate the revised draft for the trial enterprise bankruptcy law, the draft for a border quarantine law, and the draft for a post and telecommunications law; it will hear an explanation on the drafts for the state-owned industrial enterprises law and the customs law, and an explanation concerning the decisions to revise the electoral law for the National People's Congress and the local people's congresses, and the organic law of the local people's congresses and local people's governments.

The session will also hear a report on NPC delegations' visits abroad, and examine some motions presented by the State Council.

After Song Rufen, vice chairman of the NPC Law Committee, explained the revision of the working draft of the state enterprises bankruptcy law, Peng Chong, vice chairman of the NPC Standing Committee and chairman of the NPC Law Committee, spoke on some issues concerning the drawing up of the bankruptcy law.

Peng Chong said: Although we have been shutting down enterprises that have incurred serious losses, and have been suspending their operations, amalgamating them with other enterprises, or switching them to the manufacturing of other goods, we still have not been able to stop the practice of eating from the same big pot. The purpose of drawing up the bankruptcy law is to stop this practice, eliminate the poorly managed enterprises, and compel those enterprises that have incurred serious deficits over a lengthy period to improve. He added: In accordance with the opinions presented during the last NPC Standing Committee session, the NPC Law Committee and the Financial and Economic Committee held a joint meeting after the session to hear opinions on drafting the state enterprises bankruptcy law. A revised draft will be presented for deliberation at this session.

At today's meeting, Xiang Chunyi and Lei Jieqiong, vice chairmen of the NPC Law Committee, reported the results of examining the drafts for the border quarantine law and the post and telecommunications law.

At today's meeting, Yuan Baohua, vice minister of the State Economic Commission, made an explanation on the draft for state-operated industrial enterprises law. The draft had been submitted to the NPC Standing Committee for deliberation by the State Council in January 1985.

Today Premier Zhao Ziyang presented the NPC Standing Committee a motion requesting it to examine the draft customs law.

The motion says: The current PRC provisional customs law was promulgated in 1951. This provisional law must be revised since major changes have occurred in China's political and economic situation and foreign relations. To keep pace with the needs of reform, opening to the outside world, enlivening the domestic economy, and promoting economic, trade, and scientific and technical relations with foreign countries, the PRC customs law was drafted. It was drafted after extensive research and solicitation of opinions and repeated discussions and revisions, and on the basis of reviewing the experiences gained in carrying out the provisional law over the last 30 years or so and foreign countries' experiences in carrying out their customs laws. The draft presented for deliberation has been approved by a regular State Council session. At the State Council's request, Dai Jie, director of the General Administration of Customs, made an explanation of the draft law at today's meeting.

At today's meeting, Wang Hanbin also explained the decisions to revise the electoral law for the National People's Congress and the local people's congresses, and the organic law of the local people's congresses and local people's governments. He said: These two laws, which were formulated in 1979, have played a significant role in improving electoral work, developing socialist democracy, and consolidating the local governments. On the basis of the Constitution and the electoral law, the 17th NPC Standing Commission session decided that new deputies to county and township people's congresses be reelected by the end of 1987. The standing committees of many local people's congresses have proposed that, to facilitate the reelection and further consolidate the local governments, certain areas of the electoral law and local organize law be supplemented and amended. When the new Constitution was drawn up in 1982, resolutions on revising the electoral law and local organic law were also adopted, and some localities proposed that these laws be further revised. Owing to the fact that certain issues were still unclear and opinions differed then, only some essential revisions were made in accordance with the Constitution. During previous sessions of the Sixty NPC, the Heilongjiang and Anhui delegations and some deputies proposed that the electoral law and the local organic laws be amended. In accordance with our experiences in the past few years and our needs, conditions are now ripe for supplementing and amending these two laws. Last April the Legislative Affairs Commission requested that all localities submit their opinions on revising the two laws. After summing up and studying those opinions, a plan for amending the two laws was drawn up. After being discussed and further revised at a meeting held in late June chaired by Vice Chairman Peng Chong and attended by leading comrades of standing committees of people's congresses of all provinces, autonomous regions, and municipalities directly under the central government, the plan was sent to all provinces, autonomous regions, and municipalities directly under the central government as well as all the relevant central departments and committees. It was on the basis of their opinions that the decisions to revise these two laws was drafted. The drafts will be presented to the NPC Standing Committee for examination in accordance with the Constitution, which prescribes that the NPC Standing Committee may enact, when the NPC is not in session, partial supplements and amendments to statutes enacted by the NPC provided that they do not contravene the basic principles of these statutes.

Vice Chairmen Chen Pixian, Geng Biao, Zhu Xuefan, Ngapoi Ngawang Jigme, Banqen Erdini Qoigyigyan, Zhou Gucheng, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, and Chu Tunan attended the meeting.

State Councillor Kang Shien attended the meeting as an observer.

Discusses Enterprise Bankruptcy

HK170123 Beijing CHINA DAILY in English 17 Nov 86 p 1

[By staff reporter Wang Gangyi: "NPC Again Mulls Revised Draft of Bankruptcy Law"]

[Text] The controversial draft of a bankruptcy law was again put before the Standing Committee of the Sixth National People's Congress (NPC) for deliberation on Saturday when the committee opened its 18th session in the Great Hall of the People in Beijing.

During the two-week session, the committee will also examine drafts of proposed laws on border quarantine, post and telecommunications, State-owned industrial enterprises, and customs.

Song Rufen, Vice-chairman of the NPC Law Committee, said that the bankruptcy draft had undergone several revisions after discussions in his committee and among officials of central and local governments.

He said the revisions first of all further clarify the orientation of the bankruptcy law for meeting the needs of developing a socialist market economy, of improving the management and efficiency of enterprises, and of protecting the rights and interests of enterprises and their creditors.

Secondly, more emphasis has been given to protecting workers of bankrupt enterprises, providing them with help to find new jobs and guaranteeing their basic living necessities while they are unemployed.

Thirdly, an article has been added stating that leaders of bankrupt enterprises and government for supervising them will be subject to legal as well as disciplinary punishment if they are found to have been remiss.

Song stressed that all those who participated in the discussions, which were held in the last week of October, exchanged their views fully.

"The members of the law committee believe that the draft law is basically feasible," he said.

The proposed bankruptcy law stirred heated discussion when it was first handed to the Standing Committee at its 17th session last August.

Some members supported the law and hoped it would be adopted soon because they believed it would improve enterprise management and performance and eliminate unprofitable businesses.

However, others said the time was not opportune.

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Their main argument was that smooth implementation of a bankruptcy law requires a series of related laws, such as those regulating enterprise activities, the rights and duties of labour, and social insurance.

What is more, they said problems of enterprise autonomy, the division of work between the government and enterprises, and a more rational pricing system all need to be solved before a bankruptcy law is enacted.

On Saturday, the Standing Committee also heard a report by the Vice-Chairman of the State Economic Commission, Yuan Baohua, on the proposed state-owned industrial enterprises law.

Yuan said the law stipulates the nature, fundamental tasks and management system of State-owned enterprises.

Under the law, State-owned enterprises in China would become relatively independent producers of manufactured goods, with autonomy in management, and sole responsibility for profits and losses.

The law would also require enterprises to practice a "director responsibility system" and make other related changes in their operations, Yuan said.

In his explanation of the draft customs law, Dai Jie, Director General of the General Administration of Customs, said that it would legalize in explicit terms some practices of the past few years.

"Customs offices could be set up in inland areas where customs procedures are actually performed," he said.

"Business people could go through entrance-exit formalities at either coastal or inland customs agencies," he added.

Other stipulations are aimed at expanding exports to bring in more foreign exchange, making it more convenient for foreign firms to provide materials to be processed in China, and encouraging the use of Chinese ports for transport shipment.

Consisting of 72 articles in seven chapters, the draft defines the nature, tasks, rights and management of customs, basic principles of customs supervision, punishment of customs officials who abuse their rights.

Views Quarantine Law

OW151212 Beijing XINHUA in English 1203 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- A draft of a border quarantine law was discussed at the 18th meeting of the Standing Committee of China's National People's Congress which opened here today.

In delivering the report, vice-chairman of the National People's Congress Law Committee Xiang Chunyi said, "My committee agrees the law is necessary to prevent contagious diseases from getting in or out of China."

He supported the draft, adding that some revisions were suggested for approval by the Standing Committee.

The law committee proposed that contacts between border inspection units of China and its neighboring countries in border areas, temporary contacts between residents living on both sides of the border in agreed areas, and entry and exit of vehicles and personnel of both sides will be quarantined in accordance with mutual agreement or conventional practice, be added as conditions to the supplementary articles.

The committee also proposed to add another article to the supplementary articles, stating that if any provisions in the draft law are different from international quarantine agreements or conventions China has already signed or participated in, provisions in international agreements or conventions should apply, with the exception of those provisions China states to retain.

Examines Communications Law

OW151206 Beijing XINHUA in English 1159 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- Laws to insure Chinese citizens' freedom of correspondence and privacy and boost China's post and communication cause were discussed at the 18th Meeting of the Sixth National People's Congress here today.

Reporting on the law committee's examination of a draft of the proposed law at the meeting which opened here this afternoon, Lei Jieqiong, vice-chairman of the committee, supported the draft.

The law committee suggested that a clause requiring citizens' freedom of correspondence be protected by law be added to the general principles of the draft, Lei said.

"With the exception of state security and procuratorial organs which examine letters in line with legal procedures in dealing with cases involving state security and criminal offenses, no one is allowed to infringe upon another's freedom of correspondence and privacy," she noted.

The draft also stipulates that those who hide, destroy or illegally open another person's letters will be punished in line with regulations set out in China's criminal code.

"As for minor offenses," she added, "the offenders will be punished according to regulations governing offenses against public order".

The draft also revised some regulations on compensation for items lost in the post.

Surveys Public Enterprises

OW151326 Beijing XINHUA in English 1313 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- Chinese legislators are examining a revised draft of a law on full implementation of the responsibility system at publicly-owned industrial enterprises with directors in charge, to protect the self-administration rights of the enterprises.

The draft law, first submitted to the country's supreme legislative organ for approval in early 1985, has been resubmitted to the ongoing 18th meeting of the National People's Congress Standing Committee after repeated revisions based on opinions solicited from the public.

Publicly-owned industrial enterprises are by nature independent economic organizations and units for socialist commodity production and management according to the draft, said Yuan Baohua, vice-minister of the State Economic Commission, in his explanation to the meeting.

The enterprises are entitled to be run on their own, to conduct independent accounting and assume sole responsibility for their profits or losses, Yuan said.

For a long time, industrial enterprises were considered administrative organs under government institutions or their subsidiaries. "They were too rigidly controlled and their self-administration rights were not fully ensured," he stated.

He noted that industrial enterprises were not considered legal entities performing due obligations and enjoying legitimate rights.

The draft defines the basic tasks of enterprises: "Develop commodity production and create wealth to meet the increasing needs of the society for better material and cultural life, in line with state plans and market demands." This, Yuan said, reflects the ability of industrial enterprises to conduct socialist planned commodity production.

Also institutionalized in the draft are some fundamental systems including "democratic management," "economic responsibility", and "independent economic accounting," in addition to the responsibility system with directors of enterprises in charge.

The draft law has provided necessary conditions from larger society as a whole to help enliven enterprises, Yuan said.

A special chapter, "legal liabilities," is incorporated in the draft law with a view to ensuring the legitimate rights and interests of enterprises from encroachment.

Termination and bankruptcy for enterprises have been institutionalized in a separate law also under examination.

Focuses on Customs Law

OW151202 Beijing XINHUA in English 1155 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- A draft of a code to replace the provisional customs law issued in 1951 is now under examination at the ongoing meeting of the country's supreme legislative body.

The provisional customs law now still in force "cannot conform to the needs of the developing situation," said Dai Jie, director general of the General Administration of Customs, in his explanation of the draft to the 18th meeting of the Standing Committee of the National People's Congress today.

The new draft law has legalized in explicit terms some measures and preferential policies adopted in the past few years. Customs offices can now be set up in inland areas where customs duties are performed. Business people can go through entrance-exit formalities either at coastal or inland customs agencies. There are also other stipulations aimed at expanding exportation to create more foreign exchange, make it convenient for foreign firms to provide materials to be processed in China and to encourage the utilization of ports for transshipment.

Reduction and exemption of duties are provided in the draft for Sino-foreign joint ventures and other special enterprises in special economic zones and designated areas and for special commodities.

Consisting of 72 articles in seven chapters, the draft defines the nature, tasks, rights and management system of customs, basic principles of customs supervision, provisions for punishing customs officials who abuse their rights, provisions on levy, reduction and exemption of duties, and provisions on legal proceedings to handle duty disputes.

Voter Registration Discussed

OW151248 Beijing XINHUA in English 1242 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- Voter registration for electing deputies to the people's congresses should be simplified to having just one registration, instead of having it every election, said a high official.

Wang Hanbin, secretary general of the Standing Committee of the National People's Congress (NPC), made the proposal at the committee's 18th session which began here today.

Wang, also director of the committee's Legislative Affairs Commission, made the proposal while explaining the draft of a resolution on the revision of 1979 electoral law.

Under the 1979 law, deputies are elected once every three years at the town and county level, and every five years at the level of provinces and autonomous regions. A general registration must be conducted at every election.

Such registration, Wang said, involves a great amount of work and takes up too much time, impeding the elections.

Changes are also suggested in the draft on articles in the electoral law concerning deputies from minority nationalities, which will help increase the number of deputies from minority nationalities.

An article is added to the draft that Overseas Chinese visiting hometowns may take part in elections below the county level held in their hometown or the place where they had lived before going abroad.

Revisions of the organic law include giving more power to relatively large cities to formulate local decrees. People's congresses and their standing committees of cities where governments of provinces and autonomous regions are located, and relatively large cities approved by the State Council, can formulate necessary local decrees so long as they do not contradict the Constitution, laws, administrative decrees and other local decrees.

The draft also has a supplementary article saying that the standing committees of the people's congresses have the power to remove deputy heads and other members of governments, judges and procurators they appointed.

REFORM LINKED TO SPIRITUAL CIVILIZATION

HK141043 Beijing RENMIN RIBAO in Chinese 11 Nov 86 p 1

[Commentator's article: "Reform, Opening up, and Development of Spiritual Civilization"]

[Text] Over the past few years, the relationship between reform, opening up, and building socialist spiritual civilization has become a contentious problem. The great contribution made by the "Resolution of the CPC Central Committee on the Guiding Principles for Building Socialist Spiritual Civilization" is that it clearly defines that in promoting socialist spiritual civilization, "we must ensure that we will promote the all-round reform and the opening to the outside world."

In studying the "resolution," it is very important for us to distinctly understand the relationship between reform, opening up, and building socialist spiritual civilization. Whenever we called for carrying out reform and opening to the outside world in the past, some people always associated it with the spread of capitalist evil winds and noxious influences; and whenever we promoted socialist spiritual civilization, some people immediately felt that we would probably retrench the policies of carrying out reform and opening to the outside world. These people view reform, opening up and promoting socialist spiritual civilization as "two separate things." This is a misunderstanding. Meanwhile, some people understand the relationship between reform, opening up, and promoting socialist spiritual civilization simply as a relationship between politics and economics. This is also not correct.

The building of socialist spiritual civilization promotes reform and opening up; and in turn reform and opening up promotes the building of socialist spiritual civilization.
[paragraph continues]

They are coordinated with and promote each other. Our work of building spiritual civilization means building socialist spiritual civilization; and our reform and opening up mean developing and perfecting the socialist system under the guidance of the four cardinal principles. They all center on economic construction, and their aims are the same. The "resolution" points out: "Our policies of launching all-round reform and opening up to the rest of the world have infused our socialist cause with great vitality and have significantly promoted socialist spiritual civilization." It also notes: "As a basic, unalterable state policy, opening to the outside world is suited to our efforts to build both material and cultural civilization." This makes it very clear that they are coordinated and promote each other.

If we had not launched all-round reform and implemented the policy of opening to the outside world, our economy would not have developed rapidly, there would have been no changes in the people's ideology and outlook, our efforts to build socialist spiritual civilization would have been confined in the past to the forbidden zone, and we would have followed the beaten track of "giving prominence to politics" and "placing politics in command." Without promoting socialist spiritual civilization, we will be unable to shape public opinion, values and the social and cultural environment so as to facilitate reform and opening up, we will be unable to resist the decadent bourgeois and feudal ideologies, and our work of carrying out reform and opening to the outside world will not be able to develop in a healthy way. Experience gained in the implementation of the policies of reform and opening up over the past few years has demonstrated that these policies have infused our socialist system with vitality, and that socialism is superior to capitalism. As socialist culture and ideology are promoted, our socialist cause will certainly grow and flourish further.

Properly handling the relationship between reform, opening up, and building socialist spiritual civilization is a new subject for us, both in theory and in practice. We must conscientiously look into the question in the spirit of the "resolution" and in line with actual conditions so that they will be rationally coordinated and promote each other and we will be able to create a new situation in different aspects of work.

OFFICIAL REPRIMANDED FOR 'SUPPRESSING DEMOCRACY'

HK170040 Beijing CHINA DAILY in English 17 Nov 86 p 3

[Text] A communist party official in Hunan Province, reprimanded for violating the right of a people's Congress Deputy to criticize Party and Government work, has publicly apologized.

On November 7, PEOPLE'S DAILY, the Party paper, criticized Luo Anrong, secretary of the Party Committee in Shaoyang County, for his attempts to label the views of a county People's Congress Deputy Xiao Diaoguo "anti-party opinion." This was reported in CHINA DAILY on November 8.

At the county People's Congress session last July, Xiao took the floor to say that local communist party officials didn't show concern for farmers at the grass-roots level. "They only seek to improve their own living standards," he said.

He went on to say that local farmers were confronted with a serious fuel shortage. They had no oil to light lamps at night, to operate flour mills, pump water or power vehicles.

"Not having enough lamp oil has been rare since New China was founded in 1949," he said. As a result, farmers had complained about local government's work.

Xiao's speech was reported by a county Party propaganda official to County Secretary Luo as being denigrating to the Party. Luo reacted by pressing the Standing Committee of the county People's Congress to produce a testimony of the speech, only to be turned down by legislators.

PEOPLE'S DAILY reported on Saturday that Luo Anrong made a self-criticism on November 7, the day his errors were revealed.

He told reporters, "People's Congress deputies are protected by law when airing their views at congress sessions. I did not know this and did not abide by requirement that the Communist Party operate within the law."

"That's why I committed the act of suppressing democracy by having others investigate Xiao's speech in an attempt to find out his mistakes," he said.

On November 11, Luo went to Xiao Diaoguo's village and apologized to him, saying "You are right in voicing farmers' difficulties and criticizing the problems in the work of leading departments and officials."

Luo admitted his errors in suppressing democracy in Xiao's case and told Xiao to "boldly speak the truth in future."

According to PEOPLE'S DAILY, the Party Committee of Shaoyang City, which administers Shaoyang County, has decided to criticize Luo and to launch a city-wide campaign to educate Party members and officials in democracy and legal knowledge.

MILITARY TECHNICAL DICTIONARY UPDATED, REVISED

OW160732 Beijing XINHUA in English 0721 GMT 16 Nov 86

[Text] Beijing, November 16 (XINHUA) -- The military Fascicle of Ci Hai (a sea of words), one of the largest Chinese dictionaries of words, phrases and technical terms, has been revised and will soon be published.

Some of the entries of the 1979 edition have been rewritten, including the entry dealing with the Ping-Jin Campaign which took place in the Beijing-Tianjin area from December 1948 to January 1949 and known as one of three major campaigns of the Liberation War. A plain description of "a headquarters, made up of Lin Biao, Luo Ronghuan and Nie Rongzhen directed the campaign," has replaced an original paragraph, in which Lin Biao, who was killed in a plane crash while fleeing from China on September 13, 1971, was criticized.

Some of the data have been determined in the new edition. Based on a serious study of previous six different numbers, the number of the enemy's vehicles, destroyed in a battle at the Yanmen Pass in northern Shanxi Province, has been determined as ten in the revised edition.

The new edition, sponsored by the Academy of Military Sciences, contains 2,600 entries, 900 more than the previous one, increasing the words to 450,000 from 290,000.

To keep in line with the development of military technology, many terms of modern military arms have replaced some outdated ones.

TV AIRS REPORT-MAKING MEETING AT ZHONGNANHAI

OW161449 [Editorial Report] Beijing Domestic Television Service in Mandarin at 0100 GMT on 16 November begins a 135-minute live relay of a report-making meeting. According to the announcer, the meeting is being held in the Huarentang Hall, Zhongnanhai, and is the "first" in a series of such meetings in which a total of more than 30 "advanced personages" chosen from across the country will make speeches reporting on their personal experience. These meetings are jointly sponsored by the CPC Central Committee's Propaganda Department, the All-China Federation of Trade Unions, the CYL Central Committee, the All-China Federation of Women, and the Ministry of Radio, Cinema, and Television. The general theme of the meetings is "to realize the common; ideal," namely, to "make China a modern socialist country having a high degree of civilization and democracy."

Following a brief announcement by the announcer, the meeting opens with a 4-minute speech by Wang Daming, identified in a caption as a deputy director of the CPC Central Committee Propaganda Department. He says the purpose of inviting the advanced personages to speak at the meetings is to "promote and carry forward positive thinking and a spirit favorable to carrying out the four modernizations drive, invigorating the Chinese nation and reunifying the motherland; to promote and carry forward positive thinking and a spirit of unity among the nationalities, social progress, and people's happiness; to promote and carry forward positive thinking and a spirit for pursuing ideal life through honest labor." He also announces in his speech that, "the current report-making activities will not be carried out in the form of lecture tours. Instead, these reports will be broadcast periodically by the Central People's Broadcasting Station and the Central Television Station. This report-making meeting today is the beginning of the current report-making speeches. The Central Broadcasting Station and the Central Television Station will continue to broadcast the speeches by other advanced personages in the future." In addition, he says some of the speeches will be distributed in the form of videotapes and in print. His speech is then followed by those of four "advanced personages." These include Professor Liu Chenhui of the Wuhan Water Conservancy and Electric Power Institute, a factory director from Shenyang, a chicken-raising expert from Heilongjiang, and director of a drilling and welding research institute in Shandong. The lengths of their speeches range from 30 to 40 minutes. The meeting comes to a close after another short speech by Wang Daming, who thanks the units sponsoring the meetings.

BANK VICE PRESIDENT ON FINANCIAL ISSUES

HK160620 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0842 GMT 13 Nov 86

[Report by Zhou Xiao (0719 2556): "Liu Hongru, Vice President of the People's Bank of China, Answers Reporters' Questions"]

[Text] Beijing, 13 November (ZHONGGUO XINWEN SHE) -- Today, Liu Hongru, vice president of the People's Bank of China (the Central Bank), talked here to Chinese and foreign reporters about some sensitive issues concerning China's financial matters.

Question: What is the business scope of the soon-to-be-restored Bank of Communications in Hong Kong?

Answer: The restoration of the Bank of Communications on Mainland China is part of the financial reform. The Bank of Communications will become a real bank rather than a bureaucratic organization. It will be marked by multiple functions and running a full range of business activities including renminbi and foreign currency business. This bank will follow the shareholding system and will issue shares. But the specific plan is still on the drawing board. Once the bank is restored, the Bank of Communications in Hong Kong will become one of its branches.

Question: Will the foreign exchange certificate be abolished? And when will it be abolished?

Answer: It is affirmative that the foreign exchange certificate will be abolished. But the present situation is that when we solicited public opinion, the people said that they were not satisfied with the proposed draft plans of replacing the foreign exchange certificate. In particular, areas which have opened up to the outside and utilized foreign capital to a greater degree held that the new methods were inconvenient. They said that they were not favorable to attracting foreign capital or allowing foreign investors to receive and remit abroad their foreign exchange. Therefore, we are still continuing to probe new methods.

Question: When will the law on negotiable securities be formulated?

Answer: In the course of building a capital market, we need to draft the pertinent laws. But the present conditions are not yet mature. Therefore, we must accomplish the work in two steps. First, the State Council is responsible for promulgating the interim regulations on negotiable securities. When the conditions are ripe, the NPC will formulate the law by going through the legislative procedures.

LESS RED TAPE PROMPTS MORE FOREIGN INVESTMENT

OW141238 Beijing XINHUA in English 1159 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Local authorities in many of China's open cities are cutting red tape and encouraging foreign investment at the same time, officials said here today.

Fuzhou recently solved a water supply problem, added telephones and extended credit for a Fujian-Japanese toy factory all within a few hours after an on-the-spot meeting.

The remedies to these problems had been delayed for almost a year by red tape, officials here said today.

Authorities in cities of Guangzhou, Shanghai, Qingdao, Tianjin and Dalian have simplified procedures for import and export to provide quick solution to problems facing foreign-funded enterprises, according to the officials.

The Tianjin City government is expected to set up an administrative service center for foreign investors to handle problems which were previously required to wind their way through several departments.

China is now drafting a dozen new regulations to encourage foreign investment which will supplement the State Council's provisions on the subject published last month, according to the officials.

KEY RESEARCH PROJECTS OPEN TO PUBLIC BIDS

OW141740 Beijing XINHUA in English 1540 GMT 14 Nov 86

[Text] Guangzhou, November 14 (XINHUA) -- China is to issue some key social sciences research projects through bidding, according to a senior researcher at the Chinese Academy of Social Sciences here today.

Professor Dong Furen, director of the academy's Economics Institute, said his institute had drawn up 57 key research projects for the Seventh Five-Year plan (1986-1990).

Among them, 10 projects are open for bids from public research institutions or individuals throughout the country.

This was announced by Dong at the closing meeting of a national theoretical seminar on tertiary industry.

In the past, all the state key research projects were distributed by the authorities, which did not necessarily ensure that the best people were picked.

Dong said the public bidding for key research projects in social sciences is an attempt to change this practice.

All research institutions and individuals may apply, Dong added, adding that an assessment group would examine the applications and choose the best ones. The assessment work will begin this month and finish by the end of this year.

GONGREN RIBAO ON ROLE OF WORKERS IN ENTERPRISES

HK141007 Beijing GONGREN RIBAO in Chinese 4 Nov 86 p 3

[Article by Jiang Yiwei (5592 0001 5517): "The Masses of Workers and Staff Members Should Be the Main Body of an Enterprise"]

[Text] In recent years, democratic enterprise management has been greatly developed. However, we have not placed sufficient emphasis on the position and role of the working masses and staff members. To grasp the central link of invigorating enterprises, we must properly handle the relationship between the state and the enterprise and the relationship between the enterprise and the workers. [paragraph continues]

The 3d Plenary Session of the 12th CPC Central Committee pointed out that it is necessary to establish a correct relationship between the state and the enterprise so as to expand the enterprise's decisionmaking power; and it is necessary to establish a correct relationship between the enterprise and the workers so as to ensure the masters' position of the workers in the enterprise. However, we have not paid full attention to the second point. Have we solved the above two issues? Some people say that we have basically solved these issues, but I do not think so. In my view, the relationship between the state and the enterprise is based on the benefit of the enterprise. In the economic entity comprising the state and the enterprise, the enterprise should act as the main body. If we want to open a socialist road with Chinese characteristics, we should first design the pattern of our enterprises. There are two deviations in current reforms. In one deviation, some people are not willing to change anything and hold that nothing can be changed. This is a conservative deviation. In the other deviation, some people try to copy all things Western. If we really did so, our enterprises would be precisely capitalist enterprises, and then how could we still call them socialist enterprises?

What should a socialist enterprise look like? This is the first question that we should answer, and this question is related to the second question. That is, what position should workers hold in an enterprise? The 3d Plenary Session of the 12th CPC Central Committee pointed out clearly that workers should hold the masters' position. That is, workers should be the main body in the relationship between the enterprise and the workers. The "Enterprise Law" is now being drafted. What powers should an enterprise have? What are the differences between socialist and capitalist enterprises? What should be the basic pattern for our enterprises? In my opinion, the enterprise pattern is related to at least five questions: The enterprise ownership system, the enterprise management system, the labor system, the distribution system, and the leadership system. These systems are all related to the social system, and all can be subject to socialism or capitalism in nature. In many aspects, the operation and management of a socialist enterprise and a capitalist enterprise are just the same. Their activities of organizing productive forces are the same. At present, many people oppose the adoption of the joint-stock system, saying that this is a capitalist system. In fact, the joint-stock system is just a method of handling relations of ownership, and it cannot reflect the nature of the economic system. There can be a socialist joint-stock system as well as a capitalist joint-stock system. The above-mentioned five systems of an enterprise are all related to relations of production in general. We should first fix the form of the cells of our socialist society, and other things should all serve this basic form. The mode of production in society is in fact the combination of the productive forces with the relations of production. Where can we find the productive forces? The productive forces do not exist in city governments, nor in the State Council. They exist precisely in the enterprises. Where can we find the relations of production? We cannot say whether a city government is subject to public ownership or private ownership. Ownership refers only to ownership of the means of production, so the enterprise pattern is symbolic of the nature of society. If the form of these cells is socialist in nature, then the entire body they form is a socialist country. At present we are still in the process of transition to socialism, so we cannot require that 100 percent of our enterprises be socialist in nature. Otherwise, we would return to the old path of "first, a large scale and second, a high degree of public ownership" and "transition to socialism on the basis of poverty." We should allow the existence of a small number of individual and private enterprises and should also attract foreign capital so as to diversify our economic elements. In the state-owned enterprises, we should maintain their socialist characteristics, which are mainly reflected in the five systems as mentioned above. The fundamental characteristic of a socialist enterprise is reflected in the position of its workers. [paragraph continues]

This is a conclusion drawn from the principles of scientific socialism. In a capitalist enterprise, capital is the dominant factor, and workers are merely employed to serve the capital. There, animate labor is governed by inanimate labor, and animate labor cannot display its initiative. We must reverse these relations in which man is governed by material things. Therefore, it is necessary to first divest the exploiters of their power and wealth and transfer them to the hands of the working people, so as to turn the working people into real masters of the means of production. The first issue concerning the enterprise pattern is ownership. According to Stalin's view, there are two forms of public ownership -- collective ownership and whole-people ownership -- and the latter is a higher degree of public ownership. For a few decades in the past, we pursued the "leftist" target of "a large scale and a high degree of public ownership," and even tried to achieve communism in a few years. The individual economy was regarded as the tail of capitalism, and the collective economy was also turned into the economy under whole-people ownership without regard to the objective regularity of economic development. Under the whole-people ownership system, the means of production are owned by all the people, and every one of the 1 billion people can own a share. The state manages these things on behalf of the 1 billion people, so the means of production are in fact under state ownership. It is said that workers are masters of their enterprises, but they cannot have direct control over the means of production that they own, as these things are the property of the whole people. So, do the workers really have the right of ownership and the right to use the means of production? This is the core of all the relevant controversies. Should the state give up its direct management over all enterprises? I do not think so. It appears that the enterprises of military industry should still be run directly by the state. Then, if the state does not directly manage most enterprises, to whom should these enterprises be entrusted? Some people hold that enterprises are run by their directors, and that the business results of an enterprise depend on the management skills of its director. So, it is necessary to cultivate a contingent of competent entrepreneurs to run the enterprises. Then, in what position should the workers be placed? In that case, they will still be in the position of being ruled by material things, and the target of public ownership is still not achieved. Therefore, I hold that the enterprise should not be completely owned by the state, but that the workers' collective should also hold a certain proportion of its shares, and the individual workers should also be shareholders. Thus, the enterprise is jointly owned by three sides. A worker will not only be an employee and producer, but will also be a partial owner. Meanwhile, the business operation power should be delegated completely to the workers' collective. At present, not only should enterprises be turned into a new type of economic entity which combines production with business promotion, but workers should also be turned into a new type of people who are not only producers, but also collective business handlers and partial owners. If workers are merely producers, they will not become masters of their enterprises. Only when they are simultaneously producers, business handlers, and enterprise owners can they really become masters of enterprises. Some people may ask: Should we not advocate the separation of ownership from the power of business operation? I think they are two different things. Workers should hold part of the ownership, and their enterprise should be run on a collective basis. The factory director is just a member of the workers' collective. He should be an expert and entrepreneur who has the best command of management skills, and can exercise business management power on behalf of the working masses. Therefore, I consistently hold that the workers' congress of an enterprise should not only have the power to examine and discuss the enterprise's business policies, but should also have the power to make decisions concerning the operation of the enterprise.

SCRAP IRON, STEEL MARKETS TO BE OPENED IN 1987

OW131506 Beijing XINHUA Domestic Service in Chinese 0014 GMT 9 Nov 86

[Text] Beijing, 9 Nov (XINHUA) -- The State Planning Commission and the State Economic Commission recently issued a circular saying that in 1987 China will start to open the scrap iron and steel market and cancel the mandatory recovery plan.

The circular said: After the mandatory plan is canceled, no scrap iron and steel will be delivered to the state; key metallurgical enterprises will trade rolled steel for the scrap iron and steel they need with local departments or purchase them.

NATIONAL CONFERENCE ON STATE FARMS UNDER WAY

OW141438 Beijing XINHUA in English 1228 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Some 600,000 family farms now operate within China's 2,000 state-run farms since the country introduced an initiative-based system for them in 1983, according to a national conference on state farms being held here.

Under the new system, any of China's five million state-farm workers can contract a piece of land from his state farm. Responsible for their own losses and profits, the family farms can keep what they produce after paying taxes and a management fee to the state farms.

State-farm workers may also contract agricultural machinery, according to the meeting.

"Family farms represent a fundamental change from the rigid centralized management demanded by state farms and eliminates the egalitarianism," said Wang Baogong, a senior official at the Ministry of Agriculture, Animal Husbandry and Fisheries.

Family farms are allowed to hire a few hands when necessary, and can count on the state farms for technical assistance and supplies of local materials and market information.

They enjoy tax exemptions and reductions for production on wasteland areas, barren mountains or ponds they contract from the state farms.

CHINA DAILY ON RURAL ENTERPRISE DEVELOPMENT

HK150700 Beijing CHINA DAILY in English 15 Nov 86 p 4

["Opinion" column by CHINA DAILY commentator: "Rural Enterprises"]

[Text] The latest report on China's rural development reveals that for the first time in history, rural industrial output value has exceeded that of agriculture. [paragraph continues]

Six million more jobs have been created this year, adding to the 70 million workers in rural enterprises last year.

This is a landmark in the progress of the nation's industrialization. This process is sometimes described by economists as a change from a "dual economy" -- with a more developed urban industrial sector and a bulky rural sector almost untouched by modern production -- to an economy that is by and large based on manufacturing, so this dichotomy will no longer be distinct.

The Ministry of Agriculture, Animal Husbandry and Fishery announced this week that the value of goods being turned out by rural industry this year will reach 330 billion yuan (approximately \$89 billion). Thus, the very existence of 12 million small rural workshops with relatively simple technology can increase China's rural per capita output value by more than \$100.

Rural residents who manage, work and invest in these township enterprises made possible a 21 percent rise in their output value over that of last year, making rural industry one of the fastest growing sectors in the Chinese economy.

The vigorous growth has been achieved against a background of shortages in virtually everything except labour. That these firms have been doing well is due, in part, to the technological support arranged by the State under the so-called "sparkling plan." The state will continue introducing new, inexpensive and easy-to-learn technologies to the countryside next year.

Increased financial resources will be available through the evolution of short-and long-term capital markets.

The influx of technology and capital will augment the capability of rural industries to absorb more surplus farm labour. Seventy-six million people, or 20 percent of the total rural labour force, are now working in local industries. However, that averages only six people per unit, so that there is still potential. Every bit of technological and financial support should mean an increase in industrial jobs.

The vigour of the rural enterprises will help economic reform in the cities. At the least, the mounting demand in the countryside can further stimulate large urban industrial enterprises.

Despite all the encouraging facts, these industries have some big problems. Waste of materials, inappropriate investment, poor labour protection and pollution are frequently criticized by the public.

What is even more worrisome is that some of them do not seem to be using their earnings properly, devoting too little to reinvestment.

This will endanger future development. The nation should not become over-confident about the recent growth of rural industries at the expense of making continued efforts. [paragraph continues]

Increased output value may end up being to no avail if it is not used to promote productive forces.

Rural enterprises have no time to relax. "Keep working hard and achieve better economic results" should be their slogan.

CHEN PIXIAN ATTENDS CONCERT IN BEIJING

OW131454 Beijing XINHUA Domestic Service in Chinese 1613 GMT 11 Nov 86

[Excerpt] Beijing, 11 Nov (XINHUA) -- Tibetan singer Cedan Zhuoma and other singers tonight sang at the Cultural Palace of the Nationalities in Beijing to celebrate the 40th anniversary of the music teaching career of their teacher, Professor Wang Pinsu.

Chen Pixian, Ngapoi Ngawang Jigme, Ma Wenrui, Xiao Ke, and Wang Meng attended the concert. [passage omitted]

TIAN JIYUN, CHEN MUHUA VISIT FOREST TRADE FAIR

OW131456 Beijing XINHUA Domestic Service in Chinese 1451 GMT 11 Nov 86

[By reporter Zhang Jianjun]

[Excerpt] Beijing, 11 Nov (XINHUA) -- The first National Forest Products Trade Fair, which has been well received by the public in Beijing, closed today.

In the 15 days of the trade fair, over 1.1 million yuan of forest products were sold, more than 12 million yuan of orders were placed, and letters of intent worth more than 23 million yuan were signed.

The trade fair, which began on 27 October, was held in the Exhibition Hall of Beijing Technology Exchange Station. Leading Comrades, including Tian Yiyun and Chen Muhua, and over 100,000 people visited the trade fair. [passage omitted]

ULANHU, XI ZHONGXUN UNVEIL SUN YAT-SEN STATUE

OW131504 Beijing XINHUA Domestic Service in Chinese 1459 GMT 12 Nov 86

[By reporter Wang Xiaoyu]

[Excerpts] Beijing, 12 Nov (XINHUA) -- A bronze statue of Dr Sun Yat-sen, a great revolutionary pioneer, was unveiled at the Dr Sun Yat-sen Park in Beijing this afternoon. Ulanhu, vice president, and Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, unveiled the statue.

The dark base of the statue is engraved in gold with an inscription by Comrade Deng Xiaoping, saying: "Eternal Glory to Dr Sun Yat-sen, a great revolutionary pioneer." [passage omitted]

Over 800 people attended the unveiling ceremony, including Vice Chairmen of the CPPCC National Committee Yang Jingren, Qian Changzhao, Chen Zaidao, Lu Zhengcao, Burhan, Qu Wu, Ma Wenrui, and Lei Jieqiong; officials of Beijing municipal party and government departments and the municipal CPPCC Committee; responsible persons of all democratic parties and people's organizations; Dr Sun Yat-sen's relatives; and foreign friends.

XI ZHONGXUN, OTHERS ATTEND MEMORIAL SERVICE

OW131456 Beijing XINHUA Domestic Service in Chinese 1322 GMT 10 Nov 86

[Excerpt] Today, at the Babaoshan Cemetery for Revolutionaries, more than 500 people from various circles of the capital mourned in deep grief Professor Wu Huanxing, a celebrated oncologist with pioneering and outstanding contributions to China's oncological medicine.

A portrait of Wu Huanxing was placed there, surrounded by flowers. The casket containing his ashes was draped with a flag of the Communist Party of China. On the two sides within the auditorium were wreaths sent by Hu Yaobang, Peng Zhen, Deng Yingchao, Wan Li, Fang Yi, Li Peng, Chen Muhua, Peng Chong, Rong Yiren, Huang Hua, Zhang Jingfu, Ji Fang, Zhou Peiyuan, Cui Yueli, Li Ximing, Chen Xitong, Lu Jiaxi, and Huo Yingdong.

Wreaths were also received from the following units: The NPC Standing Committee; the CPPCC National Committee; the Organization Department and the United Front Work Department of the CPC Central Committee; the Overseas Chinese Affairs Office of the State Council; the All-China Federation of Returned Overseas Chinese; the NPC Education, Science, Culture, and Public Health Committee; the NPC Overseas Chinese Committee; and the Ministry of Public Health.

The memorial service for Comrade Wu Huanxing was held amid strains of a dirge and in a solemn atmosphere. Present on the occasion were Xi Zhongxun, Hu Qili, Chen Pixian, Zhou Gucheng, Ye Fei, Lei Jieqiong, and responsible persons from the departments concerned, including Zhang Guoji, Huang Dingchen, Wang Hanbin, Yan Mingfu, and Ma Haide. Wu Huanxing's friends at home and from abroad also attended the memorial service.

Ye Fei presided over the memorial service. Chen Minzhang, vice minister of public health, delivered a memorial speech. [passage omitted]

HAO JIANXIU DECORATES SHANGHAI CRAFTSMEN

OW141421 Shanghai City Service in Mandarin 0100 GMT 14 Nov 86

[Excerpt] For the first time, after more than 30 years of obscurity, 164 skilled craftsmen from Shanghai's handicraft industry ascended the platform of the municipal government auditorium as representatives of their professions and trades.

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Hao Jianxiu, member of the Central Secretariat, and leaders of the Shanghai Municipal Party Committee and Government Huang Ju, Zhang Dinghong and Xie Lijuan pinned either 30- or 50-year-service medals on the craftsmen. [passage omitted]

HU QILI, BO YIBO HEAR CHICKEN FARMER'S LECTURE

SK170657 Harbin Heilongjiang Provincial Service in Mandarin 1000 16 Nov 86

[Text] (Liang Fengying), a chicken-raising expert from our province, successfully gave a lecture in Beijing this morning. The lecture was given amid a vivid atmosphere, and the audience frequently burst into warm applause.

Leading comrades of the central authorities, including Hu Qili and Bo Yibo, cordially received Comrade (Liang Fengying) before the lecture. They also heard Comrade (Yang Fengying's) report to introduce her experiences.

Comrade (Yang Fengying), a peasant from (Changqing) Township's (Wuyi) Village, on the outskirts of Jiamusi City, is famous for running a specialized household engaged in chicken-raising. In response to the party's call, she ran a household-based chicken farm in 1981. She relied on policies and science to seek wealth through hard labor. So far, she owns fixed assets worth more than 500,000 yuan. With her assistance, 21 impoverished households have changed from poverty into households earning 10,000 yuan, and more than 300 poverty-stricken households have been changed into ones earning 1,000 yuan in succession. She was commended as a provincial model worker, a pacesetter of spiritual civilization, and a fine Communist Party member. She also was named a capable woman reformer and a national red-banner pacesetter.

From among more than 100 advanced figures throughout the nation who applied to attend activities for advanced figures reporting their experiences in seeking common ideals through radio and television sponsored by several units, including the Central Propaganda Department, she was chosen to give the lecture by the Central Propaganda Department with the recommendation of the Propaganda Department of the provincial party committee.

On the afternoon of 15 November, the Central Propaganda Department gave the Propaganda Department of the provincial party committee a call to praise the department for cultivating and recommending such a good example as (Liang Fengying).

ANHUI SECRETARY VISITS UNIVERSITY, INSTITUTE

OW131436 Hefei Anhui Provincial Service in Mandarin 1100 GMT 9 Nov 86

[Excerpts] Li Guixian, secretary of the Anhui provincial CPC Committee, has attached great importance to showing respect for knowledge and talented personnel. Within a short span of 5 months, he has visited the China University of Science and Technology twice and the Hefei branch of the Chinese Academy of Sciences four times to help solve practical problems such as the supply of water, coal, vegetables, and nonstaple foods. He has made every effort to create a good working environment for the scientific personnel so that they can keep their minds on their work. [passage omitted]

Under Li Guixian's leadership and initiative, the leading organs and grass-roots units of Hefei City enthusiastically help the scientific personnel solve various problems. In mid-August, the secretary of the Hefei City CPC Committee and the mayor led more than 10 leading cadres of various departments to the China University of Science and Technology and the Hefei branch of the Chinese Academy of Sciences. They solved a dozen or so urgent problems.

Li Guixian recently asked the university and Hefei branch whether he could be of assistance in solving problems. The university and Hefei branch expressed thanks to the secretary. Li Guixian said: Local officials are responsible for rendering service to you. We must promote a fine atmosphere of showing respect for knowledge and the talented personnel in Anhui.

FUZHOU OFFICE SOLVES FOREIGN INVESTMENT PROBLEMS

OW151404 Beijing XINHUA in English 1309 GMT 15 Nov 86

[Text] Fuzhou, November 15 (XINHUA) -- The city government of Fuzhou, [in] southeast China's Fujian Province, has set up an office to solve problems for foreign investors.

The office aims to cut red tape to improve services for foreign-invested enterprises. "Any investor who faces problems can come to us," an office official told XINHUA today, adding, "I am sure most of the difficulties will be solved smoothly."

According to the official, the contracts, agreements and other documents sent to the office for approval will be dealt with within a month and business license applications approved in a week.

The customs, banks, tax offices, electricity and water supply departments and communications facilities are also required to offer convenience for the investors.

A joint-venture between the city and Hong Kong producing ornament materials had for a long time lacked electrical supplies, telephone services, warehouses and garages, and once the Hong Kong partners were about to withdraw, the official said.

"On hearing this, we held a meeting which solved everything quickly to the satisfaction of the Hong Kong partners," he said.

"We hope to attract more investors to the city through the service of our office," the official said.

Over the past month, contracts between the city and foreign investors have been signed for 19 projects, with negotiations continuing on 14 projects, according to the official.

ZHEJIANG MAKES PREPARATIONS FOR 1987 PRODUCTION

OW131446 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 8 Nov 86

[Excerpts] The provincial people's government held a telephone conference this afternoon to make arrangements for local governments at various levels and the Economic Department of the province to shift the focus of their work to preparing for next year's production. [passage omitted]

Vice Governor Wu Minda addressed the conference. He pointed out: In general, the economic situation in our province is fine this year. The total industrial output value from January to October was 13.5 percent higher than last year's corresponding period, and the economic benefits were also better. On the other hand, some enterprises cannot assimilate the new reform measures very well, and it is still difficult for them to stop the trend of growing deficits and increasing production costs.

To improve the economic work next year, he said, the provincial government urges all cities, prefectures, and counties to grasp the following tasks at this time: They should make clear the correct guiding principle for economic work; that is, it is still necessary to keep to the policy of reform, focus on greater economic results, and maintain a proper growth rate in doing next year's economic work. It is imperative to pay attention to product quality, cut material consumption, strengthen the management of enterprises, and make a success of various basic tasks. Based on the changes in the market, efforts should be made to readjust the proportions of different products to be manufactured and to go all out to develop new products. It is imperative to grasp favorable opportunities in the international market to expand the production of export goods. Industrial and commercial units should coordinate closely to facilitate the flow of commodities from one place to another. Continued efforts should be made to develop lateral economic cooperation. All in all, the economic work in the whole province should be raised to a still higher level. [passage omitted]

BRIEFS

ANHUI BANK GROUP -- Hefei, 31 Oct (XINHUA) -- A bank group has been set up in northern Anhui Province, east China. The first of its kind in Anhui, the group will promote fund circulation and economic cooperation so as to establish a unified commodity market in the area. Now banks in the group have begun fund borrowing and discount and information exchanges. Recently, the Industrial and Commercial Bank in Bengbu City borrowed 10 million yuan (2.7 million U.S. dollars) from a bank in Suxian Prefecture for a local enterprise. The discount service makes it possible for enterprises to purchase goods and raw materials on credit. [Text] [Beijing XINHUA in English 0629 GMT 31 Oct 86 OW]

SHANGHAI PAPER PUBLICATION -- The meeting on publishing the rural edition of the SHANGHAI SCIENCE AND TECHNOLOGY NEWS was held today in Shanghai. The rural edition will be on sale next year in 10 of Shanghai's countries. [Summary] [Shanghai City Service in Mandarin 1100 GMT 5 Nov 86 OW]

ZHUHAI MAYOR NOTES HEALTHY ECONOMIC GROWTH

HK140301 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0946 GMT 2 Nov 86

[Text] Guangzhou, 2 Nov (ZHONGGUO XINWEN SHE) -- The Zhuhai Special Economic Zone has finally climbed out of the "bottom of the ravine" in its economic development. Its economic targets have indicated an upward trend since the second quarter of this year. During an interview with a reporter several days ago, Zhuhai Mayor Liang Guangda said happily: "Facts have proved that our readjustment has enabled the Zhuhai Special Economic Zone to embark on a path of healthy development."

Coordinated Development in Various Trades [subhead]

Last year, the Zhuhai City government began to take measures to "lower the temperature" in commerce and tourism. The construction of a number of projects has been stopped or postponed over the past year. But there are no signs of decline in tourism because service has been improved. In the first 9 months of this year, tourism revenue registered an 80 percent increase over the same period of last year.

While "lowering the temperature" in commerce and tourism, Zhuhai "raised the temperature" in agriculture. Since late 1984, it has engaged in breeding groupers and prawns as well as in expanding the acreage under litchi, oranges and tangerines. It has also introduced American pigeons, British ducks, and a fine breed of lean-meat pigs. An agriculture that "can help increase foreign exchange income" will allow Zhuhai's agricultural export value to amount to \$50 million within 3 years. Experts are discussing the possibility of turning Zhuhai into the "California of Guangdong."

"Four Turns" in Introducing Industrial Projects [subhead]

From January to September this year, Zhuhai registered a negative increase in its industrial output, and capital introduction from last year. Major Liang Guangda said: "Our industrial growth rate seems to have slowed down. In fact, 'four turns' have appeared in our work of introducing projects from abroad. This will lay a more solid foundation for our future development."

Since the beginning of last year, Zhuhai has been expanding its cooperation with businessmen in the United States, Canada, Japan, the FRG, and Australia. In introducing foreign projects, it is shifting from labor intensive projects to knowledge and technology intensive ones. The scale of enterprises funded with foreign capital is becoming larger and they are beginning to produce their own export products while engaging in the work of processing provided raw materials and assembling provided component parts.

Over the last 2 years, Zhuhai has been busy changing the practice of "swallowing food indiscriminately to satisfy its hunger." Now it makes a strict selection of the projects to be introduced from abroad. Almost all of the 58 industrial projects introduced from abroad from January to September this year were for enterprises producing export commodities and enterprises processing provided raw materials. The Huamei Videotape Factory, the Xiechang Plastic Products Factory, the Shixin Bicycle Tire Factory, and the Xinfu Hypodermic Syringe Factory have been put into operation in Zhuhai this year. Their products are 100 percent for export. The "disposable" plastic bottles produced by the Zhonfu Bottle Factory in Wanzai sell very well in Hong Kong and Macao.

Of the projects introduced from abroad this year, the Huajia Circuit Board Factory that was built at a cost of \$18 million, the Meida Computer Disk Factory, the glass fiber factory ranking "second in Asia," and the hard quality alloy factory are all enterprises manufacturing products of advanced international standards. From the end of this year to the beginning of next year, 40 new enterprises will be put into production. Their annual output value is planned to reach 800 million yuan.

From January to September this year, the city's export trade increased by 70 percent, and foreign capital it actually used rose by 150 percent. Zhuhai's industrial output value for this year will be the same as or a little higher than that of last year.

Not a "Costly Mistake" [subhead]

Streets in Zhuhai are broad and its factory buildings are good. The Zhuhai government has in recent years spent quite a sum of money on the construction of basic facilities. This has aroused some complaints among some people, who refer to such spending as a "costly mistake." At this, Major Liang Guangda laughed.

"We are giving long-term consideration to our basic facilities, instead of being eager for instant benefits," Liang Guangda said. "In forming our water supply and water pollution control systems, we have taken into account the city's development for decades to come. There will be no traffic jams in Zhuhai for 20 years. This is an attraction.

Not long ago, an American survey team expressed its opinion after concluding a survey on the situation in Zhuhai: From the viewpoint of some people in China, Zhuhai's construction may be a waste, but it suits the taste of American investors.

After readjustment, Zhuhai's economy is ready to dart forward like a sharp arrow.

HENAN RADIO URGES CONSOLIDATING RURAL REFORMS

HK160249 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 15 Nov 86

[Station commentary: "Continue To Do a Good Job in Consolidation and Perfection"]

[Excerpts] Some comrades hold that since the rural areas entered the second stage of reforms, the main problem to be solved is that of relying on science to get rich. They think that the efficacy of policies has been taken about as far as it can go. In fact, there are still many problems that need further solution in the first stage of rural reforms, which was hallmarked by the institution of the contract responsibility system based on the household, and we must continue to do a good job in consolidation and perfection.

For example, take the orchard contract responsibility system. At present there are not many orchards in the province for which long-term contracts have been truly instituted in line with the Central Document No 1 and which have yielded fine results. There is confusion in the management of contracts for many orchards. Looting of orchards occurs sometimes. This shows that the policies have not yet been fully implemented. Some places need to make up for the missed lessons and properly perfect their contract responsibility systems. [passage omitted]

Only by paying attention to solving the problems left over from the first stage of rural reforms while engaged in the second stage can we further mobilize the peasants' enthusiasm and promote the development of the commodity economy.

HENAN LEADER ON DISASTER RELIEF VIA PRODUCTION

HK150424 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 14 Nov 86

[Excerpt] Zhang Zhigang, member of the Standing Committee of the provincial party committee and vice governor, spoke on 13 November at a conference on disaster relief through production convened by the provincial government. Delivering a summation speech, he called on leaders at all levels to analyze and assess the disaster situation in a truth-seeking way and get a good grasp on organizing the masses in disaster areas to launch relief through production in the spirit of self-reliance, and ensure the stability of daily life of the masses in those areas.

Comrade Zhang Zhigang said: The leading departments at all levels in the disaster areas must strictly act according to the state regulations in promptly distributing relief grain and funds to the disaster victims. It is essential to focus on key points and avoid egalitarianism. Before the wheat harvest next year, the province must organize and help the disaster-hit peasant households in a planned way to develop production and do everything possible to tend the wheat well. It is also necessary to make a success of water conservancy construction, so as to strengthen the province's ability to resist natural disasters. [passage omitted]

HUBEI SCORES SUCCESSES IN REFORMING CADRE SYSTEM

HK160307 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 15 Nov 86

[Text] Hubei has scored initial results in reforming the cadre system. Since 1983, the province has introduced on a trial basis the system of contract hiring of district, township, and town cadres. Over 19,000 cadres have now been hired in this way. The party and government organs and enterprises and units in a number of counties and cities have introduced on a trial basis the system of setting goals for leading cadres during their terms in office. Last year, in recruiting cadres, the province held unified examinations, made all-round assessments of the candidates morally, intellectually, and physically, and selected or hired the most outstanding.

As a result of reforming the cadre system, the quality of the cadres has been improved, and new vitality has been seen in the work of the organs and the management of enterprises and units. The able hands can be promoted and the mediocre demoted, and each can be employed in the right job. The long-standing, great, and difficult problems of cadres being able to enter units but not to leave them and of being able to gain promotion but not suffer demotion have been solved relatively well.

HUNAN OFFICIAL INTERVIEWED ON ABUSE OF POWER

HK160101 Changsha Hunan Provincial Service in Mandarin 0100 GMT 12 Nov 86

[Text] On the afternoon of 11 November, Jiao Linyi, chairman of the provincial People's Congress Standing Committee was interviewed by our reporter on the case in which the work of Shaoyang County People's Congress was wantonly interfered with.

When asked about his opinion on RENMIN RIBAO's report on 7 November on the case of infringing upon the democratic rights of a Shaoyang County People's Congress deputy, and wantonly interfering in the work of the county's People's Congress, Chairman Jiao Linyi answered: It was absolutely wrong that the Shaoyang County party committee secretary treated the incisive and pertinent remarks made by Xiao Diaoguo, deputy to the county People's Congress, at a county People's Congress Standing Committee meeting, as an anti-party speech, and that he ordered the county party Discipline Inspection Commission to investigate the speech. Not only did this violate the stipulations of the Constitution and the law, but also the stipulations of the party Charter.

The party secretary of Shaoyang County now has a deeper understanding about his mistake. He said that he would take the lead in studying and observing the law and cultivate the habit of acting in a democratic way. He is also prepared to conduct an open self-criticism at the county meeting of cadres. This is a good attitude.

Comrade Jiao Linyi said: Cases like the one concerning Shaoyang County in which no attention was paid to the authority of organs of state power or the democratic rights of deputies to the People's Congress have taken place in some other places in the province. For example, the leading organs and leading cadres in some localities adopted an indifferent attitude toward the decisions and resolutions adopted by the People's Congress and its standing committees. Neither did they observe them nor enforce them. These leading organs and cadres had a strong aversion to the exercise of the supervisory role of the People's Congress Standing Committee, as well as the proposals put forward by deputies to the People's Congress. They even wantonly made charges against the deputies and conducted illegal investigations of them. In addition, they did not act according to the namelists of appointments and dismissals adopted by the People's Congress Standing Committee and did not take actions in accordance with the law.

Though these problems took place in individual units and among a few people, they had a very bad influence on others. They have seriously undermined the prestige of the party and the sanctity of the socialist legal system. All leading cadres should draw lessons from this case.

Chairman Jiao Linyi also told our reporter the cause of the case of wantonly interfering in the work of the Shaoyang County People's Congress, as well as his opinion on protecting the legal exercise of authority by the local organs of state power and the democratic rights of deputies to the People's Congress.

Comrade Jiao Linyi stressed: The key to ensuring that people will effectively exercise the state power rests with the practice that leading organs and cadres at all levels take the lead in studying well the Constitution and law. They should constantly strengthen their concept about democracy and the legal system and strictly observe the law.

Under the leadership of the party committees at all levels, the province's People's Congress and its standing committees must exercise their authority according to the law and be bold in struggling against acts of suppressing democracy and undermining the legal system. In order to safeguard the democratic rights of deputies to the People's Congress, we should, in connection with the principles stipulated in the Constitution and the law, reaffirm that the statements made and votes cast by deputies to the People's Congress at meetings at their corresponding levels are free from all legal responsibilities. The organs of state power concerned must seriously handle and give responses to the proposals, criticism, and suggestions made by the deputies.

He expressed and believed: Through the work of seriously drawing lessons from the case concerning Shaoyang County, the province's leading organs and cadres at all levels must strengthen their concept about democracy and the legal system and greatly promote the province's work of building socialist democracy and the legal system.

Abuser Apologizes

OW150810 Beijing XINHUA in English 0755 GMT 15 Nov 86

[Text] Beijing, November 15 (XINHUA) -- A Communist Party official in Hunan Province, reprimanded for violating the right of a People's Congress deputy to criticize party and government work, has publicly apologized.

On November 7, the "PEOPLE'S DAILY," the Chinese Communist Party paper, criticized Luo Anrong, secretary of the party committee in Shaoyang County, for his attempts to label the views of a county People's Congress deputy Xiao Dianguo as "anti-party opinion." At the county People's Congress session last July, Xiao took the floor to say that local Communist Party officials didn't show concern for farmers at the grassroots level. "They are only seeking to improve their own living standards," he said. He went on to say that local farmers were confronted with a serious fuel shortage. They didn't have oil to light lamps at night, operate flour mills, pump water or drive their vehicles.

"Not having enough lamp oil had been rare since New China was founded in 1949," he said, and as a result, farmers had complained about local government's work.

Xiao's speech was reported by a county party propaganda official to county Secretary Luo as denigrating to the party. Luo reacted by pressing the Standing Committee of the county People's Congress to produce testimony of speech, only to be turned down by legislators.

Today's "PEOPLE'S DAILY" reported that Luo Anrong made a self-criticism on November 7, the day when his errors were revealed.

He told reporters, "It is protected by law for People's Congress deputies to air their views at congress sessions, but I did not know this and did not abide by the requirement that the Communist Party operate within the law."

He went on, "That's why I committed the act of suppressing democracy by having others investigate Xiao's speech in an attempt to find out his mistakes."

On November 11, Luo went to the home village of Xiao Dianguo and apologized to him, saying, "You are right in voicing farmers' difficulties and criticizing the problems in the work of leading departments and officials."

Luo admitted his errors in suppressing democracy in Xiao's case and told Xiao to "boldly speak the truth in the future."

According to the "PEOPLE'S DAILY," the party committee of Shaoyang City, which administers Shaoyang County, has decided to criticize Luo and launch a citywide campaign to educate party members and officials in democracy and legal knowledge.

SICHUAN HOLDS SYMPOSIUM ON THIRD-LINE ENTERPRISES

HK160442 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 13 Nov 86

[Text] The office for readjusting, transforming, and planning third-line construction under the State Council yesterday convened a symposium in Chengdu on bringing into play the role of third-line enterprises. Attending the symposium were leaders of third-line enterprises and comrades engaged in practical work from 8 provinces and 1 city including Sichuan, Hunan, Shaanxi, and Hubei, and specialists and scholars from the economic theory field and colleges and universities in the country, totalling over 200 people.

The participants submitted some 130 treatises to the symposium. From the high plane of development strategy, they held discussions on how to bring into play the role of third-line enterprises.

At the symposium, Lu Dadong, director of the office for readjusting, transforming, and planning third-line construction under the State Council, delivered a speech entitled: Speed Up the Readjustment and Transformation of Third-Line Construction, and Bring Into Full Play the Role of Third-Line Enterprises.

On behalf of the provincial party committee and the provincial government, Vice Governor Gu Jinchi congratulated the convening of the symposium and gave his opinions in connection with the practical situation in the province's third-line areas.

The symposium is of great significance to further implementing the instructions of the State Council on readjusting and transforming third-line construction and to invigorating the economy in third-line areas.

CHONGQING OFFICIALS PROMOTED, DEMOTED ON ABILITY

OW141245 Beijing XINHUA in English 1211 GMT 14 Nov 86

[Text] Beijing, November 14 (XINHUA) -- Chongqing City in Sichuan Province has removed 200 newly-appointed officials from their posts over the past three years, the "PEOPLE'S DAILY" said today.

They are among the 3,700 people who have been appointed to leading positions since this largest industrial and business center in southwest China was designated to pioneer the reforms of China's urban economy.

They have had their posts, mostly at the county level or above, removed because the results of their work were below the average though they worked hard, the paper said.

"They were demoted to lower leading positions or to the rank-and-file," the newspaper said. In the past, unqualified officials were usually transferred to other positions at the same level.

"We are trying to develop a system in which leading officials can be promoted or demoted solely based on their ability," Yu Hanqing, deputy secretary of the city's party committee said.

"Now when a new leader is appointed, responsibilities of the job [are] clearly defined and his or her work evaluated regularly to determine whether the person should be promoted, demoted or removed," said Yu.

XIZANG RALLY CALLS FOR ENERGY CONSERVATION

HK160237 Lhasa Xizang Regional Service in Mandarin 1130 GMT 15 Nov 86

[Excerpts] The regional party committee and people's government held a mobilization rally in the Lhasa Theater on 15 November to promote conservation in energy consumption in the Lhasa area. The rally called on the party, government, army, and people in the Lhasa area to take swift and coordinated action to implement the government's decision on electric power rationing and score success in this rationing work.

Regional party and government leaders including Pagbalha Geleg Namgyi, Raidi, Doje Cering, and Gyibug Puncog Cedain attended. Raidi, deputy secretary of the regional party committee, presided.

Gyibug Puncog Cedain, vice chairman of the regional government, first read out the government's regulations on rationing electric power. The regulations pointed out that electric power supply in the Lhasa area cannot meet demands, and power restrictions and cuts often occur over large areas, affecting production and work and inconveniencing the people in their daily life. At the same time, there is a serious waste of electric power and irrationalities in its use and management. The following measures are being taken to strengthen management of the use of electric power, ensure planned and economical use of power, and make better use of the limited power supply in serving production, work, and people's daily life:

1. Beginning on 1 January 1987, all units and individuals using power from the Lhasa grid will have their power supply rationed.
2. Controls will be instituted by means of electricity meters, which are to be installed gradually.
3. After the use of electric stoves is halted, the problem of fuel for daily use for the cadres, workers, and urban residents will be solved by supplying kerosene at state-subsidized low prices.

Doje Cering, chairman of the regional people's government, made an important speech at the rally. [passage omitted] He said: There has been no basic improvement in Lhasa's power shortage. In particular, following the completion of 43 projects, the development of tourism and urban public facilities, the improvement of living standards, and the implementation of the Seventh 5-Year Plan, there has been a great increase in the load on the power grid, and the contradiction between power supply and demand in the Lhasa area is very acute.

He said: In view of the current state of the Lhasa power grid and the power consumption problems, the government has studied the problem many times and held that the basic way to solve the power shortage is to speed up the construction of energy facilities. However, such a construction cycle is long, and projects cannot be brought into operation overnight. To solve the present problems, we must base our efforts on the existing power supply capacity, start by improving management, and take the necessary economy measures. [passage omitted]

HEBEI SECRETARY AT SPIRITUAL CIVILIZATION FORUM

SK170650 Shijiazhuang HEBEI RIBAO in Chinese 30 Oct 86 p 1

[Text] On 28 and 29 October, the Hebei Provincial CPC Committee held a forum of nonparty personages to solicit their opinions on the "Hebei Provincial CPC Committee's proposals for implementing the CPC Central Committee's resolution on guiding principles for building socialist spiritual civilization." They talked freely and discussed matters of vital importance related to the province's socialist spiritual civilization.

Attending the forum were personnel from the provincial People's Congress Standing Committee, the provincial CPPCC Committee, all democratic parties, and the provincial Federation of Industry and Commerce, as well as nonparty democratic personages. Before the forum began, the provincial party committee distributed to each participant a manuscript of the provincial party committee's proposals for implementing the CPC Central Committee's resolution. The participants enthusiastically made speeches at the forum. They held that the provincial party committee's proposals embody the guidelines of the "resolution" adopted at the 6th Plenary Session of the 12th CPC Central Committee and the province's actual situation. After studying and discussing the proposals from the headings through the entire contents sentence by sentence and paragraph by paragraph, the participants put forward many valuable opinions on revising the proposals.

Entrusted by the provincial party committee, Xing Chongzhi, secretary of the provincial party committee; Li Wenshan, deputy secretary of the provincial party committee; and Liu Ronghui, Standing Committee member of the provincial party committee and director of the Propaganda Department, attended the forum. After hearing the opinions made by the participants, responsible comrades of the provincial party committee said: You have studied well and thoroughly mastered the "resolution" adopted at the 6th Plenary Session of the 12th CPC Central Committee, and have a profound understanding of the province's actual conditions. Thus, you have set forth many good opinions on revising the provincial party committee's proposals. From now on, the provincial party committee will better strengthen cooperation and contacts with all democratic parties and personages of all circles, and will report to you the situation of all important meetings and the contents of all important decisions so as to hold discussions and consultations on relevant issues.

Responsible comrades of the provincial party committee said: Veteran comrades of all democratic parties, possessing broad and profound knowledge and rich experiences, should bring into better play their role in building socialist spiritual civilization, since they are able to develop their abilities to the fullest. The people of all circles throughout the province should work with one heart and on mind so as to facilitate socialist spiritual civilization.

NEI MONGGOL OFFICIAL ON DEVELOPMENT POLICIES

SK170549 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 16 Nov 86

[Text] At the regional meeting of banner and county party secretaries, Qian Fenyong, deputy secretary of the regional party committee, pointed out that as the region's major principle of promoting animal husbandry through grass and tree planting had been decided on, we should further study the specific policies for implementing the economic construction principle of developing a diversified economy while emphasizing forestry and animal husbandry on the basis of the requirements of the new situation and new tasks.

Comrade Qian Fenyong said: The general guideline for us to study the specific policies for implementing the economic construction principle of developing a diversified economy while emphasizing forestry and animal husbandry is to orient manpower, financial, and material resources correspondingly, properly, and gradually to the development of grassland and livestock breeding so as to create necessary economic prerequisites and a good environment for the region's large-scale development of animal husbandry. The specific policies should reflect not only our emphasis on forestry and animal husbandry but also the development of a diversified economy; not only the development of animal husbandry but also that of other undertakings. At the same time, they should unify the interests of the state, the collective and the individual.

Comrade Quan Fenyong continued: At present when we are studying the specific policies for implementing the economic construction principle of developing a diversified economy while emphasizing forestry and animal husbandry, we may consider the following aspects:

First, when formulating our region's annual plan for national economic development, we should further study the orientation and structure of investment, gradually increase our investment in grass and tree planting and animal husbandry, and find a scientific and rational investment percentage. When studying the investment structure, all localities should proceed from their actual situation, pay attention to balancing the proportion of investment in various fields, and adopt different investment structures in line with specific local conditions. For example, the economic areas for forestry and animal husbandry development should guarantee grass planting, and the economic areas for farming and animal husbandry development should guarantee grain production and animal husbandry. We should not adopt a unitary investment structure, and still less seek uniformity.

Second, we should adopt specific methods and measures to support the establishment of marketable grain, milk cow, and camel bases. In the future, the region should focus its attention on building marketable grain bases in the three major grain production areas -- the Huang He irrigated area, the Liao He basin, and the area to the south of the Da Hinggan Ling. All leagues, cities, banners, and counties should also pay attention to other microclimate areas suitable for grain production. In order to ensure the development in grain production, we should ensure chemical fertilizer, farm machines, electricity, diesel oil, plastic sheets, and fine seeds to supply key areas in a unified manner. Agrotechnicians should be properly concentrated in grain production areas, and the production techniques which are notably effective in increasing production should be popularized on a priority basis.

Third, the policy of levying light taxes from animal husbandry should be continued. Areas which shift their sole grain production to both grass and tree planting and grain production should have their contracted grain purchasing quotas reduced based on the grass and tree planting acreage which is originally for grain production.

Fourth, we should increase the investment in the development of intellectual resources, speed up the training of qualified people, and improve the competence of peasants and herdsmen. Educational and scientific and technical personnel should be encouraged to take root in the border areas and go deep into the grass roots to popularize education and science and technology, to develop intellectual resources, and to expand rural and pastoral productive forces so as to facilitate social progress.

Fifth, the decisionmaking power of leagues, cities, banners, and counties should be expanded.

Comrade Qian Fenyong also spoke on the relationship between animal husbandry development and grain production.

He said: Areas not suitable for grain production should shift their unitary grain production to grass and tree planting, grain production, and animal husbandry. This is a course to change production conditions, improve the ecological environment, and enable farming and livestock breeding to promote each other and develop in a coordinated manner. This is also a course to establish a benign cycle. During this course, as long as we earnestly sum up experiences and effect the shift step by step, we will gain more momentum in increasing grain production rather than reducing it. We should have full confidence in (?blazing new trails).

SHANXI PAPER URGES SPEEDING UP LATERAL TIES

HK150205 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 14 Nov 86

[Report on the 15 November SHANXI RIBAO contributing commentator's article: "We Must Speed Up the Pace of Lateral Ties"]

[Text] The article says: As an energy and chemical and heavy industry base of the whole country, Shanxi is promoting economic and technological cooperation with various economic areas. A number of combines spanning different areas and trades are now forming. Economic, technological, and information exchanges and cooperation between different towns and enterprises are also becoming more and more lively.

Viewing the picture as a whole, however, as far as establishing lateral ties is concerned, we are still restricted to the cage of the old setup, lack resolve and methods for breaking out of the old setup, and are unable to take big strides.

The article puts forward the following views on how to speed up the pace of lateral ties in Shanxi:

1. We must fully realize that developing lateral ties is an irreversible major trend in Shanxi's economic development.
2. We must base our efforts on reality and implement the principle of seeking truth from facts.
3. The departments in charge of the enterprises must create conditions for developing lateral ties.
4. We must vigorously stimulate changes in ideological concepts.

The article points out that developing lateral ties means resolutely discarding the closed-door and conservative small production concept. We must eliminate the concept of attaching great importance to production and little to circulation, and the mentality of only making small calculations, not big ones, and only viewing immediate interests, not long-term ones. In forging ties, we must pay attention to and guard against the old maladies of a mass rush into action and treating all levels the same way irrespective of different conditions. We must also pay attention to the different tiers and the variety of lateral ties.

BRIEFS

NEW TIANJIN BERTHS -- The first stage of construction of four berths in Tianjin Port, a key construction project of Tianjin Municipality, was completed and passed tests on the morning of 25 October. After being put into formal operation, this project, which is located in the southern part of the main navigation course of Tianjin's Xingang, will help increase Tianjin port's annual handling capacity by 700,000 tons. [Excerpts] [Tianjin TIANJIN RIBAO in Chinese 26 Oct 86 p 1 SK]

HEILONGJIANG COMMENDS CIVILIZED CITIES, COUNTIES

SK130207 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 12 Nov 86

[Excerpt] The provincial radio and television meeting to commend the advanced units that have distinguished themselves in the emulation drive in building civilized cities and towns was held at the provincial Radio and Television Department this afternoon. A total of 52 outstanding units were commended and awarded by the provincial party committee and government. The emulation drive was launched in January 1985 in 16 cities and 100 counties and towns, and has been vigorously responded to by various cities, prefectures, and counties. The provincial party committee and government have also attached great importance to the emulation activities. They organized large-scale inspections conducted by provincial departments on two occasions. After being appraised by the provincial Five Stresses, Four Beauties, and Three Loves Activities Committee, 52 cities, counties, and agricultural and forestry farms and bureaus won the first, second, and third prizes in the emulation drive, and other prizes for army-civilian cooperation in building civilized units, and for environmental construction. Party, government, and army leaders of our province, including Hou Jie, Li Jianbai, Huang Feng, Zhang Xiangling, Wang Fei, Wei Zhimin, Tang Liandi, Wang Hongbo, and (Shang Zhenying), attended today's meeting and presented prizes to the prize winners.

On behalf of the provincial party committee and government, Hou Jie, deputy secretary of the provincial party committee and provincial governor, extended congratulations to the prize-winning cities, counties, farms, and bureaus. He affirmed the important role of the activities of building civilized cities and towns in promoting the policy on opening to the outside world and enlivening the domestic economy and in promoting spiritual civilization. [passage omitted]

JILIN HOLDS TOWNSHIP ENTERPRISE EXHIBITION

SK110121 Changchun JILIN RIBAO in Chinese 28 Oct 86 p 1

[Text] The provincial township enterprise export commodity exhibition and economic and technological exchange and transaction meeting opened this afternoon.

Recently our province has witnessed an upward trend of vigorous development. In the first 9 months of this year, the total output value from township enterprises reached 3.94 billion yuan, an increase of 30.1 percent over the same period of last year; and a profit of 390 million yuan was made, showing an increase of 59.9 percent over the same period of last year. Furthermore, the variety of products increased by a large margin and the quality of products improved rapidly. Many products turned out by the township enterprises have found domestic markets and 230 varieties of products have even entered the international market.

The export products exhibition displays a series of products including ginseng, delicacies from Changbai Shan, forest products, and processed grain products, as well as industrial arts and crafts, wickerwares, and nonmetallic mining products and so forth, totaling 15 categories, with 625 varieties and more than 2,000 specifications.

During the exhibition, economic and technological exchanges and transactions among township enterprises will be conducted. In addition, exhibition sales of products turned out by township enterprises will also be held.

Leading comrades of the provincial and Changchun City party and government organs attended the opening ceremony.

LIAONING TO RENOVATE, UPGRADE ENTERPRISES

OW161000 Beijing XINHUA in English 0912 GMT 16 Nov 86

[Text] Shenyang, November 16 (XINHUA) -- China will renovate 200 leading enterprises in the industrial base of northeast China's Liaoning Province during the coming few years.

The state will invest 21 billion yuan (some 5.6 billion U.S. dollars) during the state's seventh five-year period (1986-1990), 55 percent more than in the sixth "five-year" period, a provincial official told XINHUA today.

According to the official, the figure is more than that for any other province in the country.

The renovation work has already started for 70 enterprises and will start for another 100 enterprises in metallurgy, machinery, chemistry, petroleum, harbor construction, building materials, textile and light industry, according to the official.

Almost 80 percent of the province's enterprises were set up in the 1950's and 1960's, and the renovation will help them become more productive and efficient, the official said.

Having introduced advanced equipment from Federal Germany, the Anshan Iron and Steel Complex, the largest in China, restored its rolling machines in one month and the quality of its rolled steel compares with international advanced standards, the official said.

The innovation which cost 60 million yuan (16.6 million U.S. dollars) for the No 2 Petroleum Refinery Works within a half year has enabled the works to have an annual output value of 490 million yuan (136.1 million U.S. dollars), the official said.

"After all the innovations are complete, the province will have its output value increased annually by 10.8 billion yuan, and 736 products including steel alloys, diesel locomotives, shipping diesel engines, electrical generators, trucks, bulldozers and automatic washing machines will be produced according to international standards," the official said.

The official said an additional 10,000 small enterprises will also be renovated, with the money to be raised by themselves or through cooperation with the leading enterprises or foreign firms.

Acting Governor Li Changchun said in a news conference the province is about to draw 1.5 billion U.S. dollars from foreign investors during the 1986-1990 period.

"We particularly welcome foreign management personnel and advanced technology," the governor said.

QINGHAI VILLAGE-LEVEL RECTIFICATION PROGRESSES

HK160123 Xining Qinghai Provincial Service in Mandarin 2330 GMT 13 Nov 86

[Text] Party committees at autonomous prefectural, prefectural, and county levels in the province have firmly grasped village-level party rectification. Since the beginning of village-level party rectification in the province's rural and pastoral areas early this year, party organizations at all levels, in view of the practical situation that party members in the grass roots have a relatively low cultural level and are relatively old, have sent some 4,500 party-member cadres to the grass roots to help local party organizations in conducting party rectification.

In conducting village-level party rectification, party organizations at all levels have all along adhered to the principle of promoting economic development and reforms and seriously solved some party members' problems of failing to deeply understand the party's current policies, failing to have a clear understanding of reforms, and having no confidence in being able to get rid of poverty and becoming rich, and in developing a commodity economy.

In the course of party rectification, all localities have adhered to the principle of putting positive education first and laid stress on upgrading the political and ideological quality of party members, thus raising their consciousness in setting a good example for the masses.

In the course of party rectification, all localities have selected some middle-aged and young cadres to take up leading posts, and admitted into the party a number of outstanding middle-aged and young peasants and herdsmen. As a result, grass-roots party organizations have made great improvements in ideology, organization, culture and [words indistinct].

In the course of village-level party rectification, all localities have seriously dealt with some cases of violations of discipline and law to which the masses had a strong reaction. According to statistics, by the end of October, some 2,300 party branches in the province's rural and pastoral areas had successfully completed party rectification.

QINGHAI LEADERS ATTEND TRADE UNION CONGRESS

HK120909 Xining Qinghai Provincial Service in Mandarin 2330 GMT 9 Nov 86

[Excerpts] The 6-day eighth provincial trade union congress concluded in Xining yesterday. The congress adopted a work report by (Ma Shiqing) entitled: The Staff Members and Workers of Various Nationalities in the Province Go Into Action and Constantly Push Forward the Great Cause of Building the Two Civilizations and Overall Reforms. They adopted a work report by the seventh Funds Inspection Committee under the provincial Trade Union Federation.

At the congress, the delegates reviewed and summed up the movements and trade union work since the seventh provincial trade union congress; discussed and set tasks for the next 5 years; and discussed a namelist of the new leaders of the provincial Trade Union Federation. (Feng Shangyi), vice chairman of the provincial Trade Union Federation, delivered a speech at the closing session. [passage omitted] Provincial party and government leaders Yi Kesheng, Song Ruixiang, and Liu Feng attended the closing session.

TAIWAN HIT BY STRONG EARTHQUAKES 15 NOV

Japan Feels Quakes

OW150147 Tokyo KYODO in English 0143 GMT 15 Nov 86

[Text] Tokyo, Nov. 15 KYODO -- Weathermen issued a tsunami (tidal wave) warning for Okinawa Prefecture in the wake of a strong earthquake which hit Taiwan early Saturday morning.

A report from Taipei said that the earthquake registered a magnitude of 7.7 on the Richter Scale and caused some casualties.

The meteorological agency said the quake occurred around 6:20 a.m. and its focus was about 10 kilometers deep in waters 50 kilometers off Hualien, eastern Taiwan.

In Japan, a tremor with a seismic intensity of 3 on the Japanese scale of 7 was felt in Yonaguni Island and a tremor with an intensity of 2 hit Ishigaki Island, both in Okinawa Prefecture, the agency said.

Ishigaki Island also had another slight earthquake believed to be an aftershock at 8:05 a.m., it said.

Market Collapses

HK150227 Hong Kong AFP in English 0209 GMT 15 Nov 86

[Text] Taipei, Nov 15 (AFP) -- At least five people were killed when two powerful earthquakes shook Taiwan early Saturday, police said.

Four people were killed and 32 others were injured when a three-story market near here collapsed, and a fifth person died crushed by a pillar that toppled off an oil tanker anchored in the eastern port of Hualien, they said.

A Hualien fisherman was also reported missing, police said.

Officials said the death toll was expected to rise as rescue workers sifted through the rubble in the collapsed shopping area, the 23,300 square meter (252,000 square foot) Hua Yang Market in the Taipei suburb of Chung Ho.

The building fell apart when the first quake struck at 5:20 a.m. (2120 GMT Friday), police said.

Official records showed that 93 people were registered as residents of the market, living on the second and third floors of the building, whose ground floor is a food market.

The Central Weather Bureau here measured the first tremor at 6.8 on the Richter Scale, which effectively measures up to nine.

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(In Tokyo, Japan's meteorology agency measured the magnitude of the quake at 7.5 on the Richter Scale.)

A second quake, measuring 6.3, hit Taiwan at 7:04 a.m. (2304 GMT).

Most people sleeping on the third floor of the market managed to crawl out after the building was flattened, but an undetermined number of residents of the lower levels remained trapped under tons of cement and steel, police said.

Police cordoned off the area as troops, firemen, policemen and volunteers struggled slowly under a steady drizzle to rescue scores of people still believed trapped under the debris.

Officials of the Central Weather Bureau said the epicenter of the first quake was 40 kilometers (25 miles) northeast of Hualien and 10,000 meters (33,000 feet) below the seabed.

The quake sent frightened residents of the capital fleeing to the streets in their pajamas.

A 14-story downtown office building stood tilted by the quake, police said, while walls cracked and windows shattered on many other high-rise buildings.

A wounded woman resident of the destroyed market told reporters from her hospital bed that she was preparing to cook breakfast when the first tremor struck.

"Everything was falling down," she said, adding that before she could wake up her husband and children, "the place fell apart and we could not get out because the door was stuck."

She said she could hear cries for help from other parts of the building as they were rescued by neighbors who managed to force the door open.

Eyewitnesses said the rescue effort was going slowly because workers feared a small portion of the building that remained intact could collapse on them as they cleared the rubble.

(The Japanese Meteorology Agency in Tokyo said the earthquake was also felt in Yonaguni, one of the Okinawa Islands, but that there were no casualties.

(The agency issued a tsunami warning after the quake, but lifted it two hours later.)

Quake Toll Mounts

HK150514 Hong Kong AFP in English 0459 GMT 15 Nov 86

[Excerpts] Taipei, Nov 15 (AFP) -- At least eight people were killed and 60 still feared buried under the rubble of a collapsed building after two severe earthquakes rocked Taiwan early Saturday, police said.

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At least 40 people were reported injured, and 10 fishing boats were capsized in the earthquakes, whose epicenter was about 40 kilometers (25 miles) off Taiwan's east coast, according to the Central Weather Bureau.

Most of the victims were killed when a three-story market in a Taipei suburb collapsed, police said.

A total of 41 people had been rescued from the wreckage of tons of cement and steel, and seven had died in hospital.

Some 60 people were still feared trapped beneath the rubble, and police were using tracker dogs to help locate them. [passage omitted]

(Officials in Hong Kong said that a severe earthquake registering 7.7 on the Richter Scale had occurred off Taiwan's east coast, while in Tokyo the meteorology agency recorded a quake measuring 7.5 on the Richter Scale. [passage omitted])

Death Toll Reaches 12

OW151003 Taipei CNA in English 0938 GMT 15 Nov 86

[Excerpts] Taipei, Nov. 15 (CNA) -- Twelve persons were killed, 45 others injured after a strong earthquake jolted Taiwan early Saturday morning.

Ten of the victims were killed in Chungho City when a three-story grocery market collapsed. Thirty-two others living in the house suffered injuries of various degrees.

One death was reported in Hualien, which is nearest to the epicenter. In Yilan three suffered quake-related injuries.

The other injuries occurred at scattered places. In Taipei, a cleaning worker was hurt by a crumbling earthen wall. [passage omitted]

The quake caused two high-rises in Taipei to lean to one side. Many walls in the city developed cracks.

The tremor also caused a number of short circuits and gas leaks. No serious accidents were reported up to 4:00 p.m. [0600 GMT]

Earth Tremors Lessen

OW160839 Taipei Domestic Service in Mandarin 2300 GMT 15 Nov 86

[Text] According to the Central Meteorological Bureau, a total of 188 noticeable tremors had been detected in the Taiwan area by 0600 [2000 GMT] this morning. The tremors were occurring at a decreasing frequency and their intensity was lessening also. Barring exceptional circumstances, no more high-intensity earthquakes are expected. We hope our citizens will not worry.

FURTHER REACTION NOTED TO NEW PARTY FORMATION

Lawmakers File Motion

OW131036 Taipei CHINA POST in English 8 Nov 86 p 12

[Text] Twenty-one lawmakers filed an extraordinary motion during a Legislative Yuan session yesterday asking the government to announce how it will handle the "Democratic Progress Party's" announcement Thursday of its "party charter" and "party platform."

It was decided during the session that the issue be turned over to the Legislative Yuan's Rules Committee, which is responsible for the agenda, to schedule a date for discussion.

Legislator Chang Hung-hsueh and 20 other lawmakers asked Premier Yu Kuo-hua, Minister of the Interior Wu Po-hsiung, Minister of National Defense Wang Tao-yuan and Minister of Justice Shih Chi-yang to specify the government's attitude and method of dealing with the "DPP."

The DPP's "party charter" and "party platform" fail to meet the three principles laid down by President Chiang Ching-kuo for the formation of new political parties. President Chiang has said new political parties should abide by the Constitution, should be anti-communist and should disassociate themselves from the Taidu (Taiwan Independence) Movement.

The lawmakers said the "DPP's" announcement of its "party charter" and "party platform" is illegal because martial law has not been lifted in Taiwan and the ban on formation of new political parties has not been revoked.

A Ministry of the Interior ad hoc committee is currently drafting the National Security Law to replace martial law and revising laws to legalize the status of new political parties.

"The phase of holding dialogues with the non-partisans is over," Chang said.

"The time has come for the government to mete out administrative punishment," he added.

Radio Criticizes DPP Platform

OW131351 Taipei Domestic Service in Mandarin 2300 GMT 7 Nov 86

[Station commentary: "A Political Party Echoing the Views of Taiwan Independence Elements and Communist Bandits Must Not Be Tolerated"]

[Text] Dear listeners: President Chiang has pointed out many times that in forming new political parties, it is imperative to abide by the Constitution, support the anticommunist national policy, and make a clean break with the Taiwan Independence Movement. These principles have been unanimously endorsed by all Chinese people at home and abroad. A representative of the nonpartisan element has also publicly announced its observance of these principles.

Regrettably, a handful of nonpartisan politicians went to the length of rashly announcing the formation of a new political party and made public the so-called Democratic Progressive Party's platform and charter, although the relevant laws are still in the drafting stage and have not yet gone through legal procedures. Thus, the laws banning the formation of new political parties are still in force. By engaging in illegal activities, such people show not only no sense of the rule of law, which is essential to democratic rule, but also fully demonstrate the fact that they are unfaithful and untrustworthy. Thus, they have discarded at will all principles which they have supposedly adopted with all sincerity and seriousness. Such notorious precedents are hard to find in honest political organizations and doctrines.

A further analysis of the so-called party platform and charter also shows that they run counter to the three major principles laid down by the president. Scholars and experts at home and abroad have noticed that the party platform and charter drawn up by this handful of politicians contain the following characteristics: First, they are a product of secessionism. The authors have avoided mentioning the name of the Republic of China throughout the platform and charter in order to give people the impression that the new political party does not have a motherland. Ambiguous expressions throughout the platform and charter tend to show that it is hard to draw a clearer line of demarcation with the Taiwan Independence Movement. The call for self-determination by all residents concerning the future of Taiwan reminds us of the worn-out theme sounded by overseas Taiwan Independence elements over the past year. Such stipulations are in direct violation of the Constitution. The party flag, with the insignia of Taiwan Province, is a precise indication that they are not interested in forming a national party which conforms to constitutional rule, but one which deviates from national interests and the interests of the whole people.

Second, in their program of action they oppose the enactment of the national security law, the law of election and recall, and the law governing entry and exit to Taiwan, as well as relevant laws necessary for the protection of the nation under the present circumstances. It seems as if they want to create a vacuum in national legislation. Professor Chiu Hung-ta of the United States pointed out with great earnestness that the national security law is a must in view of Taiwan's extraordinary circumstances after lifting martial law. Take for example the question of entry and exit; it would not be a blessing to the people of Taiwan if there were no law to control the massive influx of population from the mainland. We might as well expand Professor Chiu's words and imagine what would happen if communist agents and terrorists took advantage of the absence of a law governing entry and exit and swarmed into Taiwan. Would that not bring about and expand our national crisis?

Third, aside from disseminating secessionist views of the Taiwan Independence elements in the draft platform, not a word was said about the fundamental anticommunist national policy. Instead, they called for peaceful competition on an equal footing on both sides of the Taiwan Strait. For this reason, they called for ending confrontation between both sides of the Taiwan Strait, demanded dismantling of the political work system in the military, and proposed that patriots of mainland origin in Taiwan be given liberty to visit relatives and friends on the mainland. All this not only aims to disarm our anticommunist stance, but also echoes and works hand in glove with the Chinese communists' united front schemes for three exchanges, thereby greatly boosting the role of the Chinese communists' united front tactics.

The above analysis shows that the so-called party is not one which abides by the Constitution, supports the anticommunist national policy, and makes a clean break with the Taiwan Independence Movement; instead, it is one instilled with secessionist sentiments.

Propositions by such a party not only undermine the anticommunist national policy but play a supporting role in the Chinese communists' united front schemes. If permitted to be established, such a party would surely impair national security.

CHINA POST Comments

OW131038 Taipei CHINA POST in English 8 Nov 86 p 12

[Text] The pro-Kuomintang CENTRAL DAILY NEWS and the private UNITED DAILY NEWS and THE CHINA TIMES analyzed the "party charter" and "party platform" of the Democratic Progress [as published] Party (DPP)" differently.

The CENTRAL DAILY NEWS yesterday charged that the "DPP" is guilty of secessionism by saying "the future of Taiwan should be decided by the people" -- the slogan of the Taidu (Taiwan Independence) Movement.

The "DPP's" party flag, leaving out Mainland China, only has Taiwan as its symbol: The Republic of China claims sovereignty over all of China, the paper said.

According to the paper, the "DPP" disrespects the Constitution by not mentioning the Constitution in its "party charter" or "party platform."

By advocating peaceful existence with Red China, the "DPP" contradicts the nation's basic policy of anti-communism, it said.

The "DPP" "party platform" merely denounces the Chinese Communist Party along with other forms of totalitarianism. It also advocates reversing a ban on travel between Taiwan and the Chinese Mainland.

Principles Ignored [subhead]

The two privately owned papers were also quick to note that the "DPP" failed to mention in its "party charter" or "party platform" the three principles laid down by President Chiang Ching-kou for new political parties.

Chiang has said that new political parties will be allowed only if they renounce independence for Taiwan, repudiate communism, and respect the Constitution.

But the papers also noted that the "DPP" has been more moderate and has not insisted that the people be allowed to vote for the nation's president.

Currently, the nation's president and vice president are elected by the National Assembly.

The two papers also pointed out that the "DPP" has promised not to resort to street demonstrations in the future.

The ruling KMT and the nonpartisans still have not mended fences, the papers said.

U.S. Democrats [subhead]

Meanwhile, the CENTRAL NEWS AGENCY in a long distance telephone interview quoted Maryland University professor Chiu Hung-ta as saying the "DPP" is wrong if they were encouraged by the U.S. Democrats' return to dominance in Congress.

The foreign policy of the U.S. is still decided by its President, he said.

In reality, many U.S. congressmen are not interested in Taiwan's so-called democratic movement, Chiu said.

The "DPP" do not understand the Americans if they are counting on outside force to support their movement, Chiu added.

Communist China has never ruled out resorting to violence against the ROC [Republic of China], he said, adding that the "DPP" is naive if they believe they can co-exist with the communists.

REACTION REVEALED TO RESULTS OF U.S. ELECTIONS

HK170521 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1312 GMT 10 Nov 86

[Text] Hong Kong, 10 Nov (ZHONGGUO TONGXUN SHE) -- According to reports from Taipei, the Taiwan authorities have shown deep concern over the results of the U.S. mid-term elections which were held recently.

An official of the Economics Ministry said that through the mid-term elections, the Democratic Party won a majority of seats in the Senate as well as in the House of Representatives, and this may increase the momentum and influence of protectionism in the United States. In the past, the Jenkins Bill passed by the House of Representatives under the control of the Democratic Party was voted down by a Republican-controlled Senate. It was also pointed out that if the protectionist bill is passed by the U.S. Congress, Taiwan will be the first victim of the protectionist measures and will suffer heavy losses. At present, exports to the United States account for as large a proportion as 48 percent of the total value of its exports.

A diplomat who handles U.S.-Taiwan relations said that the Democratic victory in the elections will make Taiwan's "diplomatic" relations with the United States more difficult. He emphasized that although the new Congress will not change the basic foreign policy, it may adjust the priority sequence and may show a different attitude in the implementation of the established policy.

Newspapers in Taiwan pointed out that what upsets the authorities is the fact that there will be fewer friends of Taiwan in the Senate after the mid-term elections and that some figures who have "considerable prejudice" against Taiwan hold control of a number of Congress committees. For example, Goldwater, who used to be most friendly to Taiwan, and Denton have not been reelected to the Senate this time. In particular, Cranston, who severely criticized Taiwan for the "Chiang Nan case" and the "Li Ya-ping case," is likely to become head of the Asia-Pacific group of the Senate's Foreign Relations Committee. The foreign trade, economic, and "foreign affairs" departments of Taiwan have proposed that "countermeasures should be worked out as soon as possible to cope with any possible trouble" in view of the new situation in the United States.

HONG KONGEDITORIAL ON U.S. SUPPLY OF ARMS TO IRAN

HK170141 Hong Kong SOUTH CHINA MORNING POST in English 15 Nov 86 p 10

[Editorial: "A Message to the Terrorist"]

[Text] Imagine, for a moment, that you are a terrorist planning your next move in a campaign aimed at undermining a nation of great wealth and prestige.

If you have been following the news over the past week, and terrorists need to be kept well-informed, you will have read a lot about just such a rich and powerful nation and the way it deals with people [of] your ilk. This nation has a leader of great bombast, a man who makes a proud display of his own personal toughness and his country's might. He has a special loathing for people such as yourself, and wants the world to see him as the scourge of terrorists everywhere. Yet it now appears that his actions do not quite fit his words.

This leader has made secret overtures to another country which the leader knows perfectly well has been supplying weapons, men and lots of encouragement to terrorists such as yourself. The leader has been forced to admit that he has supplied this other country with "defensive" weapons, despite a firm commitment not to do so. (As a well-trained terrorist, you know full well that the distinction between a "defensive" weapon and an "offensive" one is slight; if a rocket launcher is pointing in your direction the difference offers absolutely no consolation.)

The leader, even in his humiliation, cannot bring himself to admit that one of the benefits of lying to the world has been the freeing of hostages from his country held in a distant land.

As a terrorist, what lessons does all this teach you? It teaches you that you too could humble such a great nation and its haughty leader, and you could do it at minimal expense. All you need is a gun and a hiding place ... and a hostage or two.

The President of the United States, Mr Ronald Reagan, has sent you, a terrorist, a message direct from the White House: "Kidnapping innocent people works! Terror works!"

FURTHER SANCTIONS PLANNED AGAINST SOUTH AFRICA

HK170102 Hong Kong HONGKONG STANDARD in English 17 Nov 86 p 1

["Exclusive" by David Wong]

[Text] Hong Kong this week will impose tougher sanctions against South Africa with violators facing possible fines of \$500,000 and two years in jail.

The STANDARD has learned there will be an embargo on iron and steel and sanctions will also include a voluntary ban on investments and loans.

However, import of South African coal will be exempted to save local consumers from higher electricity costs.

This is in keeping with government insistence that the sanctions must not generate a great negative impact on the local economy or undermine the territory's position in the General Agreement on Tariffs and Trade.

Also exempted are any goods on the embargo list covered by contracts, including long-term import contracts. Both China Light and Hong Kong Electric are covered by contracts with South Africa for coal shipments until 1990. About 40 percent of the coal now being used to generate electricity here comes from South Africa.

Sources told the STANDARD the Financial Secretary, Mr Piers Jacobs, on Wednesday will make an announcement about the sanctions in the Legislative Council, to be followed on Friday by a gazetted notice listing the banned items.

It is understood the administration has briefed Legislative Councillors about the ban decision at last Friday's in-house meeting.

The sanctions were spelt out in a confidential report to the Executive Council which decided at a recent meeting they should be imposed in keeping with the rising tide of bitter feelings in the international community against South Africa.

The report contains a schedule called the Import Prohibition (South Africa) (No 2) Regulations 1986 as well as the ban list. Also listed are the harsh penalties violators will face.

In the report, the administration states clearly that it is in Hong Kong's interest to follow the international community, especially the territory's major trading partners, to adopt sanctions against South Africa.

The import of South African gold coins was banned in July. It is noted that the new sanctions are relatively moderate, particularly considering that coal has been exempted.

It is believed the two power companies have been informed of the embargo plans and the decision on coal.

China Light's announcement at the weekend about a cut in power charge due to greater use of coal is thought to have been timed to deflect criticism about coal being exempted from the sanctions.

At present, Hong Kong imports about \$700 million worth of South African coal annually.

Regarding iron and steel, Government officials maintain that the impact arising from the sanctions will be cushioned as there are adequate alternative sources of supply.

Turning to the "vountary ban" on investments in South Africa, the Secretary for Monetary Affairs has considered that this should cover "direct investments" only and not "portfolio investments," according to the confidential report.

Direct investments refer generally to investments made to acquire a lasting and effective interest in a South African enterprise.

It also includes the establishment or acquisition of a company, subsidiary, or branch office in South Africa, or expansion of any already established there, the report says.

To implement the voluntary ban, the Secretary for Monetary affairs will issue letters to major financial, industrial and commercial representative organisations, including the Hong Kong Federation of Banks, Hong Kong Deposit-taking Companies Association, and the Unified Exchange, to inform them of the Government's decision.

The letter will advise them to refrain from extending new loans to entities or make new direct investments in South Africa.

In addition, the Government will discourage people from travelling there. The Secretary for Economic Services will also issue a letter to all travel agents asking them not to organise tours or promote tourism to South Africa.

These sanctions will become effective on a day to be Gazetted. The Gazette is normally published on Fridays.

TWO GROUPS TO LOBBY POST-1997 VIEWS IN BEIJING

HK150722 Hong Kong SOUTH CHINA MORNING POST in English 15 Nov 86 p 2

[Excerpts] Two groups within the Basic Law Consultative Committee [BLCC] are to lobby Chinese officials and mainland law drafters on their respective post-1997 political models during a visit to Beijing which begins today.

The two conflicting models that have generated wide publicity in recent months are expected to be the hottest topics in the talks between the 19-member delegation and senior officials and Basic Law drafters, including the deputy director of the Hong Kong and Macao Affairs Office, Mr Li Hou. [passage omitted]

The two camps sought public support over the past two months to influence the committee's political sub-group before it concluded its progress report in a session that ended in Shenzhen last week.

Key points of their proposals, on the selection of the chief executive and formation of the legislature, have been included in the final report to be submitted to the third plenary meeting in two weeks.

It has been learned that there was no formal discussion on details of the two proposals during the Shenzhen session.

But senior Chinese officials including Mr Li, and political sub-group co-convenor, Mr Xiao Weiyun, have privately expressed keen interest in the two proposals.

They are expected to raise questions with supporters of the proposals during three sessions of discussions tomorrow. Individual members of the delegation are also to submit written opinions on future technology transfer, the importance of defining the boundary of the future special administrative region and the welfare of staff of government-aided bodies. [passage omitted]